

TOWN OF WELLESLEY



REPORTS TO THE ANNUAL TOWN MEETING

MONDAY, MARCH 28, 2016
7:00 P.M.

at the
MIDDLE SCHOOL AUDITORIUM
WELLESLEY MIDDLE SCHOOL

by the
ADVISORY COMMITTEE

BOARD OF SELECTMEN
COMMUNITY PRESERVATION COMMITTEE
COUNCIL ON AGING
FULLER BROOK PARK COMMITTEE
NATURAL RESOURCES COMMISSION
PLANNING BOARD
SCHOOL COMMITTEE
SUSTAINABLE ENERGY COMMITTEE

Please read this Report and bring it with you to Town Meeting.

For more information and updates, please visit www.WellesleyMA.gov.

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TOWN OF WELLESLEY



**ADVISORY COMMITTEE LETTER
ANNUAL TOWN MEETING
March 28, 2016, at 7:00 p.m.
Middle School Auditorium
Wellesley Middle School**

TERM ENDS 2016

Mary Crown
Thomas Frisardi, Chair
John Hartnett
Mason Smith, Vice Chair
Scott Tarbox

TERM ENDS 2017

Chad Harris
Michael Mastrianni
Frank Pinto, Vice Chair
Sara Raveret, Secretary
Kathleen Woodward

TERM ENDS 2018

Tom Fitzgibbons
Mike Hluchyj
Mark Kaplan
Alena Poirier
Ria Stolle

March 14, 2016

To the Citizens of the Town of Wellesley:

Annual Town Meeting (“ATM”) will convene on Monday, March 28, 2016 at 7:00 p.m. at the Wellesley Middle School Auditorium. All residents are welcome to attend. The proceedings also may be followed on Wellesley Media Corporation’s Government Channel (Comcast Channel 8, Verizon Channel 40). The ATM will be webcast: www.wellesleymedia.org/wellesley-government-channel.html.

I am writing on behalf of the Advisory Committee¹ to give you an overview of the budget for Fiscal Year 2017 (FY17) and to briefly describe several other significant matters that Town Meeting will take up. Notable matters coming before this year’s ATM include:

- A balanced budget. There will not be a need to consider an override this spring.
- Funding for the construction of a senior center, known as the Tolles-Parsons Center.
- Funding to reconstruct the High School track and field.
- Funding for the Town’s contribution to Mass Highway’s reconstruction of the Kingsbury Street/Route 9 intersection.
- A proposal to ban plastic shopping bags.

The Advisory Committee has presented its collective thoughts concerning these matters and others in its Reports to the Annual Town Meeting (Report), which follows this letter. The Report will be posted on the Town’s website at www.WellesleyMA.gov. Copies of the Report will be available at the Town Clerk’s Office and at the Wellesley Free Library. The Town Clerk’s Office will mail a copy of the Report to any resident who requests one.

BUDGET OVERVIEW

The Board of Selectmen will ask Town Meeting to approve an omnibus budget for FY17 of \$153,463,908, a 2.5% increase over the \$149,733,483 that Town Meeting approved for FY16.

¹ The Advisory Committee is made up of 15 residents of the Town whom the Moderator appoints. The role of the Advisory Committee is to “consider all matters included within the articles of any warrant for a Town Meeting” and to report its considerations to Town Meeting and to the Town as a whole.

The budget is balanced without the need for a Proposition 2-1/2 override. School spending growth continues to outpace all other areas of Town government, as it has in years past. The School operating budget increased by 4.25%, compared with 2.5% for all of the other Town departments combined.

The Town will use approximately \$2.5 million from Free Cash² (money that was appropriated in prior years, but not expended); however, the Town's reserves increased modestly despite this. The Town's sound financial planning, including maintenance of sufficient reserves, enables the Town to achieve a high rating for its debt, thereby lowering the cost of borrowed funds.

Negotiations with a number of the Town's unions are ongoing as of the date of this letter. The outcome of collective bargaining may affect the budget for FY17.

Town Meeting will be asked to consider a number of debt-funded projects. One of these, the Tolles-Parson Center, a new senior center proposed for a site on Washington Street, next to St. Paul Church, will be subject to a Town-wide debt exclusion vote, if Town Meeting acts favorably on the proposal.

KEY FINANCIAL PLANNING ISSUES

The Board of Selectmen, the Executive Director and the Finance Director spearhead the Town's mission to:

- Pay the full cost of the Town's current operations
- Anticipate and prepare for emerging issues
- Protect the Town from risk
- Preserve the Town's assets and infrastructure
- Plan for the long-term

The financial challenges that the Town faces perennially are growth in salaries, wages and benefits of Town employees and the distinct capital and facilities needs that arise from year to year.

It should be said that the leadership team has done a fine job placing the Town in a strong financial position, continuing a practice that has existed in Wellesley for many years.

The Executive Director and the Board of Selectmen maintain two important financial planning reports, the Town-Wide Financial Plan (TWFP) and the Five Year Capital Budget Program. The TWFP is reproduced near the beginning of this Report. The Five Year Capital Budget Program is in Appendix C. The purpose of the TWFP is to anticipate and to prepare for emerging issues, to protect the Town from risk and to plan for the long term. The Five Year Capital Budget Program has as its goals the preservation and enhancement of the Town's assets and infrastructure and anticipating the financial impacts from major projects well in advance. What follows in this letter are the matters that Advisory sees as most significant in the TWFP and Five Year Capital Budget Program. Town Meeting Members should read the reports for additional details.

Growth in personnel costs

By far the majority of Town employees are unionized. This year, four collective bargaining units have contracts under negotiation: teachers, school secretaries, library association and police patrolmen. These collective bargaining units represent a total of over 600 of the Town's

² The Report includes a glossary of specialized terminology used in municipal finance. Those who are unacquainted with such terms as "Free Cash" may find it helpful to consult the glossary.

approximately 1,300 employees. Regardless of the outcome of collective bargaining, the increases brought about by “steps,” corresponding with years in service, “lanes,” corresponding with academic degrees for teachers, and cost of living adjustments for all school employees, lead to significant personnel cost increases. It is not unusual for employees who have not reached the top step to receive total annual salary or wage increases of 7-8%. Although some increase in costs is offset by retirements, the cost of living increases for those school employees who have reached the highest step still adds significantly to budget growth.

Employee benefit costs

Employee benefits are projected to cost the Town \$26.3 million in FY17, which is 17% of the Town’s operating budget. This has been one of the fastest growing areas of cost for the Town for the past ten years. The major employee benefits are health insurance for current and retired employees, at \$14.3 million, pension plan contribution, at \$6.4 million, and other post-employment benefits (OPEB), at \$3 million.

The Town has taken several steps to manage health insurance costs. The Town pays an increased contribution of 80% for insurance through Fallon Health, as compared with a 71% contribution for insurance with Blue Cross, Harvard Pilgrim and Tufts. For those employees who have other health insurance options, such as insurance through a spouse’s plan, the Town will pay cash (\$4,500 in FY16) to opt out of the Town’s plan. These arrangements have enabled the Town to save \$2 million in health insurance during FY16. These savings are expected to continue through FY17.

The Town has a defined benefit pension plan for employees other than teachers, who participate in a defined benefit plan administered by the Commonwealth. The benefits under the Town plan are identical with those provided by other municipalities, as set under state law. The Town fully funds its pension.

The economic downturn in 2008 and 2009 adversely affected the Town’s pension plan, as well as its plan for OPEB. The Town has been steadily making up the unfunded liability that resulted from the losses in the markets in 2008 and 2009, such that the pension is projected to be fully funded by 2030, the OPEB by 2037. The Town’s actuaries have shown that this additional cost in the near term will lead to significant savings later. The fact that the Town fully funds its Annual Required Contribution to OPEB enables the Town to use favorable rates of return, albeit still very conservative rates, in its actuarial calculations. Just as the decision to pay each year’s contribution to pension fully is sound, the expenditure to close the gap on unfunded pension and OPEB liabilities is prudent long-range planning. Credit rating agencies cite the Town’s investment in pension and OPEB as one reason for rating the Town’s bonds highly.

Facilities and other capital needs

The major capital projects up for consideration at ATM, all to be financed through borrowing, are:

- Hunnewell Field restrooms - \$300,000
- High School stadium - \$1,057,000
- Park & Highway Garage roof replacement - \$700,000
- Police Station roof and building envelope repairs - \$2,000,000
- Tolles-Parson Center (senior citizen center) - \$6,700,000
- Reconfiguration of Route 9/Kingsbury Street intersection - \$700,000

Borrowing for all of these projects, except for Tolles-Parsons, will be inside the levy limit. The borrowing for Tolles-Parsons will be subject to a town-wide debt exclusion vote, if Town Meeting approves the proposal.

Funding for the new High School track and field will come from three sources: (1) the \$1,057,000 listed above, (2) \$1,000,000 from CPC funds and (3) \$1,000,000 from private donations. Any excess in the \$3,057,000 appropriation will be returned to the Town.

The money for the Route 9/Kingsbury Street reconfiguration would be expended through the Massachusetts Department of Transportation (MassDOT), when it undertakes the complete resurfacing of Route 9 in 2017. The reconfiguration would be to signalize and widen the intersection to ameliorate a long-standing traffic hazard. If the Town does not contribute the funds, then MassDOT will simply resurface the road in its present configuration, leaving the traffic safety issue unaddressed. As the Advisory Report goes to the printer, the Board of Selectmen have not finalized a design for the reconfiguration of the intersection. The \$700,000 contribution to MassDOT is an estimate of what the reconfiguration may cost.

All of the other dollar amounts are based on detailed estimates for the projects in question, which are out to bid now. It is proposed to appropriate funds for the Park & Highway garage roof, the Police Station roof and building envelope and the Tolles-Parson Center to the Permanent Building Committee. Funds for the High School stadium and Hunnewell Field restrooms would be appropriated to the Board of Public Works.

The capital expenditures proposed for FY17 must be viewed in light of the current estimates for upcoming projects, particularly School security upgrades (\$2,455,000), renovation or replacement of Hunnewell, Hardy and Upham Schools (\$96,000,000) and improvements in Middle School infrastructure (\$7,300,000). The Town has additional, large capital needs coming up soon.

Reserve funds

The Town's Financial Reserves Policy calls for the sum of the amounts in the Stabilization Fund and Free Cash to be between 8% and 12% of operating revenues. Such reserves may be used to stabilize tax rates, meet capital needs or to avoid a Proposition 2-1/2 override. The Town's operational budget for FY16 is \$136,414,988. Reserves stand at \$12,294,822 as of June 30, 2015. This is 8.63% of the operational budget, a satisfactory position.

Property taxes

The median property tax bill for FY16 is \$11,723, which is 5.6% greater than in FY15. Much of the increase is attributable to new construction, which tends to boost the median amount. The FY17 median property tax bill is projected to be \$11,919, which is just a 1.7% increase over the current year. Ongoing new construction may affect this statistic.

THE FY17 BUDGET: July 1, 2016 – June 30, 2017 (Article 8)

	FY16 Budget	FY17	Inc/(Dec)	Inc/(Dec)
Sources of Funds				
Taxes	\$113,458,735	\$117,895,20	\$4,436,46	3.9%
State Aid	9,201,364	9,386,000	184,636	2.0%
Local Revenue	10,908,415	11,205,000	296,585	2.7%
Free Cash (balance)	2,756,169	2,498,871	(257,298)	-9.3%
Other Sources	987,971	1,056,874	68,903	7.0%
CPA Funds	891,950	1,615,400	723,450	81.1%
Exempt Debt	13,383,348	12,923,671	(459,677)	-3.4%
OPEB Exclusion	1,200,000	600,000	600,000)	-50.0%
Total Sources	<u>\$152,787,952</u>		<u>\$4,393,06</u>	2.9%
Uses of Funds				
School	\$66,689,159	\$69,524,634	\$2,835,47	4.25%
Facilities Maintenance	6,901,668	7,059,340	157,672	2.3%
Other Town Departments	27,445,278	28,181,940	736,662	2.7%
Employee Benefits	26,133,432	26,304,938	171,506	0.7%
Cash Capital	4,501,752	5,167,179	665,427	14.8%
Debt Service (inside Levy)	3,970,125	4,274,282	304,157	7.7%
Other Uses	3,763,190	3,745,036	(18,154)	-0.5%
Exempt Debt	13,383,348	12,923,671	(459,677)	-3.4%
Total Uses	<u>\$152,787,952</u>	<u>\$157,181,02</u>	<u>\$4,393,06</u>	2.9%
Surplus/(Deficit)		\$ 0	\$0	

Notes on the FY17 budget

Sources of Funds

Property tax collections, "Taxes" in the table, are expected to increase by 3.9%. Of this, 1.4% is attributable to new construction, which adds to the value of taxable property. The amount attributable to new construction has been consistent in recent years, but the projections in the TWFP do not assume that the trend will continue, a sound conservative assumption. Local Revenue growth is attributable to increases in licensing and permitting fees, and parking fines. The decrease in the OPEB ("Other Post Employment Benefits") Exclusion reflects the phased replacement of the OPEB funding exclusion, which was approved at the 2007 ATM and by a Town-wide vote, with inside the levy funding. This approach should enable the Town to continue funding the Annual Required Contribution (ARC) to eliminate any OPEB unfunded liability by 2037.

Uses of Funds

School personnel costs continue to outpace all other material elements of the Town budget. Schools have held their overall increase in budget for FY17 to 4.25%, in part by postponing capital expenditures that will have to be addressed eventually. This increase comes in the face of declining school enrollment, a trend that is expected to continue. Facilities Maintenance is the unit of Town government responsible for maintaining the Town's entire vertical infrastructure, i.e., buildings. Facilities Maintenance could have been lumped in with Other Town Departments, but has been broken out separately because by far the largest part of the Facilities Maintenance budget is dedicated to maintaining School buildings. The increase in Cash Capital (capital

improvements which are NOT funded through borrowing) is for increased road resurfacing by the Department of Public Works and for building improvements by the Facilities Maintenance Department.

Keeping School budget growth to 4.25% may come at the expense of next year's budget. The School Committee decided to postpone computer replacements in order to bring the School budget increase down. Depending on what the computer replacements eventually cost and other factors, there may be a need for a Proposition 2-1/2 override for FY18. Of course, this will depend on whether other budget savings can be found, continued growth in the Town's tax base and other uncertainties.

CONCLUSION REGARDING THE BUDGET

Advisory believes that the Town benefits from prudent financial management:

- Wellesley is one of a few communities to fully fund its annual contributions to pension and OPEB and with a process to make up unfunded pension and OPEB liabilities.
- Steps have been taken to contain health insurance costs.
- The centralized building maintenance program initiated three years ago is paying dividends in the condition of Town infrastructure, which promises to save the Town money in the long run.
- Town reserves continue to increase consistent with the recommendations of the Department of Revenue and credit rating agencies.
- The School Committee continues to work hard to contain costs and to identify areas where future savings may be achieved without compromising the quality of the educational program.
- Projections indicate that school enrollment will continue to decline.
- The various branches of Town government collaborate effectively and engage in meaningful discussion about the Town Wide Financial Plan. This, in turn, improves the odds that future budgets will match up with forecasts.

PROPOSED PLASTIC BAG BAN

The Natural Resources Commission ("NRC") is going to propose a Town Bylaw to ban the use of plastic shopping bags. The ban will not affect many familiar uses of plastic bags, such as for lining trashcans and for protecting newspaper deliveries. The ban would, however, also restrict paper shopping bags to recyclable bags containing not less than 40% recycled content.

Whether or not there is popular support for the ban, the Advisory Committee believes that the NRC has done a thorough job researching the proposal and drafting it. The NRC consulted with the Recycling and Disposal Facility, which recently stopped recycling plastic bags and which has had a number of operational problems brought about by plastic bags included with other recycled materials. The NRC also consulted with local merchants, other municipalities and outside agencies, even bag manufacturers, learning for example that 40% recycled content is standard in the paper bag industry. The regulation has been drafted so as to avoid undue hardship to local merchants and so that the impacts of the proposed regulation on paper bag usage will be small to none.

CONCLUSION

The Advisory Committee thanks the many dedicated Town employees, and elected and appointed officials who lent their time, energy and expertise to the Advisory Committee, making the Committee's task a much simpler one. I am thankful to my colleagues on the Advisory Committee, who gave generously of their time and made the business of the Advisory

Committee not merely one of dry numbers and organizational charts, but also an enjoyable community activity.

The Advisory Committee welcomes citizen input and suggestions. Our meetings are open to the public and always begin with a “Citizen Speak” session. The committee may also be reached via e-mail at AdvisoryCommittee@WellesleyMA.gov.

Sincerely,
Thomas Frisardi, Chair

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Town-Wide Financial Plan for 2016 Annual Town Meeting Submitted by the Board of Selectmen

March 7, 2016

Dear Town Meeting Members:

We are pleased to submit this report on the Town-Wide Financial Plan (TWFP). This report provides summary financial information for the current fiscal year (FY16), the proposed budget for FY17, and projected financial information for the years FY18-20.

Overview

The Board of Selectmen, working with other Town officials, has developed a balanced-budget proposal for the next fiscal year (FY17, or the year beginning July 1, 2016). This proposal assumes modest levels of revenue and spending growth. Spending growth is approximately in line with prior TWFP projections and the budget guidelines issued last fall. Budget reductions approved by the School Committee earlier this month reduced the growth in the School Department's operating budget to 4.25%. The School Committee contributed further to the balancing of the budget by deferring some technology-related cash capital spending until FY18. The total growth in other departmental budgets is 2.6%.

The amount of reserves used to balance the budget (\$2.5 million) is consistent with previous projections, and despite this usage, the Town will see continued reserve growth. Additional savings arising from the Town's health insurance initiatives is the most significant contributor to the reserve growth.

At the time of this writing, negotiations are ongoing with a number of the Town's unions, including the Teachers, the Town's largest collective bargaining unit. The results from these negotiations may further impact the proposed FY17 budget and we will provide an update on this matter at Town Meeting.

Looking forward, we are projecting deficits in the range of \$4.0-4.2 million in each of the next three fiscal years (FY18-20). The projected FY18 deficit is primarily attributable to a \$2.4 million increase in cash capital spending, which in turn is largely due to the School Department's technology-related capital deferred from FY17. We are investigating opportunities to smooth fluctuations in cash capital spending between years, and our process for setting budget guidelines needs to better encompass cash capital spending, at least for those departments that have high, recurring levels of such spending.

Town Meeting will also be asked to appropriate funds for a number of debt-funded projects. The most significant of these projects is the Tolles Parsons Center, which will also be subject to a town-wide debt exclusion ballot question, to be considered at a special election in May. The other debt-funded projects are to be funded with inside-the-levy borrowing. Despite this additional borrowing, the Town's total debt service is projected to decline by \$830,000, as a result of the Town's conservative debt amortization approach.

Longer-term, we are continuing to monitor the scope, cost and timing of the work related to the renovation and/or replacement of the Hardy, Hunnewell and Upham elementary schools (also referred to as "HHU"). As with the Tolles Parsons Center, we are expecting the funding for the HHU project(s) to be subject to a debt exclusion, and our preliminary projections suggest the

peak median tax bill impact of this work could approach \$680 per year. No significant appropriation request related to HHU is anticipated for the upcoming Town Meeting, and it is highly unlikely that this project(s) will materially impact tax bills until FY20 at the earliest. It is also important to note that the impact of HHU debt service on property tax bills will be offset by ongoing declines in the level of debt service related to prior projects.

Absent any significant changes in projected spending, it is likely that a Proposition 2½ override will be required in FY18. Growth in the School budget, health insurance costs and cash capital remain the biggest drivers of cost growth. The School budget is nearly twice the size of all of the other departmental budgets combined, and it is projected to continue growing at twice the annual rate.

Lastly, we do not believe there will be a negative financial impact related to staffing changes arising from a transition to a Selectmen – Town Manager form of government. Pending the outcome of the related ballot question to be considered at the March 15th election, and the subsequent implementation of the new form of government, we believe it is premature to incorporate any related changes in the FY17 budget.

Key Financial Planning Issues

Each year, the Selectmen and their staff update the TWFP with input from all of the Town's departments, Boards and Committees. As part of this process, the Selectmen are particularly mindful of the need to:

- Pay the full cost of the Town's current operations
- Proactively address emerging issues
- Protect the Town against material risks
- Preserve the Town's assets
- Plan for the long-term

As in prior years, the key issues impacting the Town's financial planning include:

- Growth in personnel costs
- Employee benefit costs
- Facilities and other capital needs

A short discussion of each of these items follows.

Growth in personnel costs

The largest recurring item in the year-over-year growth of the Town budget is the cost of wage increases for existing employees. The vast majority of Town employees are unionized, and their annual wage increases are the subject of collective bargaining. At the time of this writing, Town officials are negotiating successor collective bargaining agreements with a number of the Town's unions. The following table summarizes the status of the Town's largest union contracts:

Union	Employees	Settled Through	FY17 Increase
Teachers	519	6/30/16	In negotiations
DPW Production	77	6/30/17	2% + 0.5% mid year
School Secretaries	34	6/30/16	In negotiations
School Custodians	44	6/30/17	0%
Library Association	45	6/30/16	In negotiations
Firefighters	53	6/30/17	2% + 0.5% midyear
Police Patrolmen	31	6/30/16	In negotiations

In addition to the general wage increases noted above, the union contracts also provide for “step” increases for teachers and other employees who have not yet reached the top step, and “lane” increases for teachers as they achieve additional academic degrees. The Teachers contract provides for 16 steps and the value of each step increase is approximately 4.2%. The DPW Production, Police Patrolmen and Firefighters contracts provide for 4-6 steps, and an average step increase of 5.3-5.6%. Thus, it is not unusual for employees who have not reached the top step to receive total annual wage increases in the range of 7-8%.

Each year the cost of step increases is partially offset by savings resulting from the retirement or termination of employees who are replaced by new employees at a lower step level. Thus, in departments with steps, the changing composition of the work force has an effect on the budget over time. In the case of the School Department, the average experience level of teachers has increased over the past ten years. In addition, the number of steps in the Teachers contract has increased, so even the most experienced teachers have received step increases in some years. These factors have contributed to the greater growth of the School budget in comparison to other departments’ budgets.

The conclusion of bargaining with respect to the open union contracts may necessitate further budget adjustments. No provision for the potential cost of the non-School union settlements has been included in the current balanced budget proposal, as these settlements will require Town Meeting approval.

Employee benefit costs

Employee benefit costs total \$26.3 million in FY17 (17% of the Town’s total budget) and during the past 10 years this has been the fastest growing component of the overall Town budget. The principal components of this cost are:

- Health insurance premium costs for active and retired employees - \$14.3 million
- Pension plan contribution - \$6.4 million
- Other Post-Employment Benefits (OPEB) funding - \$3 million

The Town procures health insurance for active employees and retirees through the West Suburban Health Group (WSHG), a consortium of 10 towns and 3 educational entities. Health insurance is a mandatory subject of collective bargaining, so the Town cannot unilaterally make plan design changes.

The Municipal Health Insurance Reform legislation passed by the State in 2011 established a process by which municipalities could transition active employees and retirees to the Group Insurance Commission (GIC), without the need for traditional collective bargaining. By transitioning to the GIC, municipalities can take advantage of that entity’s market leverage, greater flexibility (the GIC can make plan design changes without the burden of collective

bargaining) and lower premium rates. The towns of Westwood and Ashland (prior WSHG members) elected to make this transition effective July 1, 2015, and other towns including Lexington, Weston and Sudbury have previously transitioned to the GIC.

Prior to the 2015 Annual Town Meeting, the Selectmen negotiated an agreement with all of the Town's unions, under the terms of which the Town's percentage contribution toward the cost of the plans offered by Fallon Health was increased to 80% and the Town's contribution toward the more expensive plans offered by Blue Cross Blue Shield, Harvard Pilgrim and Tufts was reduced to 71%. In addition, the Town introduced an "opt-out" option for employees, whereby an employee receives a cash payment in exchange for withdrawing from the Town's health insurance plans (some employees have the flexibility to enroll in their spouse's health insurance plan). In exchange for these plan changes, the Town agreed not to transition to the GIC for the 3 year term of the agreement, i.e., through June 30, 2018.

As a result of the 2015 agreement, the Town initially recognized \$2 million of health insurance budget savings in the FY16 budget. Given the high number of employees who either migrated to the Fallon plans, or opted-out of the Town's health insurance plans, the Town has recognized a greater level of savings. These additional savings have offset the cost impact of the FY17 premium rate increases.

The Board will continue to monitor health insurance cost trends and work with the other members of the WSHG to control health insurance costs, while meeting our obligations to our employees and retirees.

The Town maintains a defined benefit pension plan for retired employees other than teachers (teachers participate in a similar plan operated by the State). The benefits provided by the plan are identical to those offered by other cities and towns in Massachusetts. Municipal employees in Massachusetts are not eligible for Social Security as a result of their employment with a municipality. Thus, the pension benefit is provided in lieu of a retirement allowance under Social Security. Unlike a defined benefit pension plan in the private sector, municipal employees contribute toward the cost of their pension. Any municipal employee hired after 1996 is required to contribute 9% of pay plus 2% of pay over \$30,000. Employee contributions to the Town of Wellesley's pension plan during calendar 2015 totaled \$3.2 million. These contributions are in addition to the Town's contribution, which is expected to be \$6.4 million in FY17. During the years FY97-FY09 when the pension liability was fully funded, the Town made no contributions to the pension plan (employee contributions continued during this period).

The Town is also obligated to subsidize a portion of the health insurance premiums for retirees. Eligible retirees are required to enroll in Medicare and the Town pays 50% of the cost of a Medicare supplement plan and 50% of the Medicare Part B premium. This obligation is the basis for the Town's Other Post-Employment Benefits (OPEB) liability.

The following table summarizes the Town's unfunded liabilities related to pension and OPEB, based on employee service to-date:

<i>Valuation Date</i>	<u>Pension</u>	<u>OPEB</u>
	<i>1/1/2015</i>	<i>6/30/2014</i>
Accrued Liability	\$ 207,928,237	\$ 111,075,197
Actuarial Value of Assets	152,955,923	32,806,387
Unfunded Liability	<u>54,972,314</u>	<u>78,268,810</u>
MV of Assets at 12/31/15	\$ 152,484,227	\$ 42,689,288

The actuarial funding schedule for the pension plan, which is intended to fully fund the plan by 2030, calls for a \$.2 million increase in pension funding in FY17 (exclusive of enterprise funds). The latest actuarial valuation of the pension plan performed as of January 1, 2015 reflected an investment return assumption of 6.75%, which is more conservative than the 7% assumption used in the previous valuation. Despite this more conservative assumption, the Town's unfunded pension liability continues to decline, consistent with the funding schedule.

A new actuarial valuation of the OPEB liability will be performed as of July 1, 2016. The actuarial funding schedule for the OPEB liability, which is intended to fully fund this liability by 2037, requires the Town to contribute \$3 million each year, in addition to the increasing pay-as-you-go costs (i.e., the premium subsidies for current retirees). The \$3 million additional contribution is funded by a combination of inside the levy funds and a Proposition 2½ funding exclusion. In anticipation of the expiration of the funding exclusion on June 30, 2017, the Town has been increasing the level of inside the levy funding, and reducing the funding exclusion by a similar amount, as seen in the following table:

	<u>OPEB Funding</u>			
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Inside the levy	\$ 1,200,000	\$ 1,800,000	\$ 2,400,000	\$ 3,000,000
Exclusion	1,800,000	1,200,000	600,000	-
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

While this funding transition will put pressure on the Town budget, the annual reductions in the amount of the exclusion are reducing the total tax rate.

Unlike many other communities, Wellesley is fully funding the ARC (Annual Required Contribution), as defined in the Government Accounting Standards Board pronouncements related to OPEB. As a result, the Town is allowed to discount the unfunded OPEB liability using an assumed market rate of return, whereas communities that are not funding the ARC are required to use a risk-free rate of return. As new accounting rules applicable to municipalities take effect, which will require municipalities to report pension and OPEB liabilities on their balance sheet, Wellesley's proactive funding approach will favorably distinguish our community.

Facilities and other capital needs

At the upcoming 2016 Annual Town Meeting, appropriations will be requested for the following capital projects:

- Hunnewell Field Restrooms - \$300,000 (Article 18)
- High School Stadium - \$1,057,000 (tax impact portion) (Article 20)

- Park & Highway Garage roof replacement - \$700,000 (Article 21)
- Police Station roof and other building envelope repairs - \$2 million (Article 23)
- Tolles Parsons Center - \$6.7 million (Article 24)
- Route 9 / Kingsbury Street intersection reconfiguration - \$700,000 (Article 26)

The cost amounts shown for the above projects are detailed estimates. With the exception of the Rte 9 / Kingsbury St. intersection work, bids for all of the projects are currently being solicited and the final appropriation amounts will be presented at Town Meeting.

As further background regarding the Rte 9 / Kingsbury St. intersection project, the Massachusetts Department of Transportation (MassDOT) is planning to resurface the entire length of Route 9 in Wellesley in 2017. Reconfiguration of this intersection, to eliminate the eastbound and westbound turnarounds and install a full traffic signal system, has been a high priority public safety issue for the Town for a number of years. Following a series of discussions between Town and MassDOT officials on this and other roadway issues, MassDOT has agreed to reconfigure the intersection as part of their resurfacing project, subject to the Town's willingness to fund this piece of the project. The Town is currently vetting the proposed new design for the intersection, and this vetting will include meetings with neighbors and other interested parties. MassDOT currently estimates the Town's portion of the cost to be \$633,000 and we are requesting an appropriation of \$700,000 to provide a small contingency.

The Tolles Parsons, Police Station and Park & Highway Garage Roof projects will be managed by the PBC, whereas the High School Stadium and Hunnewell Field Restrooms projects will be managed by the DPW. The appropriation for the Tolles Parsons Center will be subject to a town-wide debt exclusion question. All of the other projects will be funded with inside the levy borrowing.

The situation with respect to other facilities needs is summarized as follows:

- School security upgrades – The planning for these upgrades is continuing and it is currently expected that an appropriation for construction funds will be requested at either a fall 2016 Special Town Meeting or at the 2017 Annual Town Meeting. Pending further clarity regarding the scope and cost of this work, we are carrying an estimate of \$2,455,000.
- Renovation/replacement of Hardy, Hunnewell and Upham elementary schools - Multiple Statements of Interest (SOI's) have been filed with the Massachusetts School Building Authority (MSBA) with respect to these schools, but to-date, the Town has not received a favorable response. At some future date, Town officials may elect to begin addressing the needs of these schools without MSBA support. For purposes of the TWFP, we are projecting the total cost of this work to be approximately \$96 million, to be incurred during the period FY18-22.
- Middle School Infrastructure (\$7.3 million) - A recent study of the Middle School identified the need to replace significant portions of the HVAC secondary distribution system. In addition, a number of classroom doors and certain cabinetry need to be replaced, and portions of the brick masonry need to be re-pointed.

Further details regarding these and other capital projects are detailed in the Five Year Capital Budget Program attached as Exhibit C.

FY17 Budget

The proposed FY17 budget request is summarized in the following table (more complete versions of the FY17 Sources & Uses are presented in Exhibit I and Appendix B, which appears later in this book):

	FY16	FY17	\$	%
	<u>Budget</u>	<u>Request</u>	<u>Inc/(Dec)</u>	<u>Inc/(Dec)</u>
Sources of Funds				
Taxes	\$ 113,458,735	\$ 117,895,203	\$ 4,436,468	3.9%
State Aid	9,201,364	9,386,000	184,636	2.0%
Local Revenue	10,908,415	11,205,000	296,585	2.7%
Free Cash (balance)	2,624,169	2,498,871	(125,298)	-4.8%
Free Cash other	132,000	-		
Other Sources	987,971	1,056,874	68,903	7.0%
CPA Funds	891,950	1,615,400	723,450	81.1%
CPA to offset debt	580,000	548,944	(31,056)	-5.4%
Exempt Debt	12,803,348	12,374,727	(428,621)	-3.3%
Capital Exclusion	1,200,000	600,000	(600,000)	-50.0%
Total Sources	\$ 152,787,952	\$ 157,181,020	\$ 4,393,068	2.9%
Uses of Funds				
School	\$ 66,689,159	\$ 69,524,634	\$ 2,835,475	4.3%
Facilities Maintenance	6,901,668	7,059,340	157,672	2.3%
Other Town Departments	27,445,278	28,181,940	736,662	2.7%
Employee Benefits	26,133,432	26,304,938	171,506	0.7%
Cash Capital	4,501,752	5,167,179	665,427	14.8%
Debt Service (inside Levy)	3,970,125	4,274,282	304,157	7.7%
Other Uses	3,763,190	3,745,036	(18,154)	-0.5%
Exempt Debt	13,383,348	12,923,671	(459,677)	-3.4%
Total Uses	\$ 152,787,952	\$ 157,181,020	\$ 4,393,068	2.9%
Surplus/(Deficit)	\$ 0	\$ (0)		

Sources of Funds: The 3.9% increase in Taxes reflects the allowed growth in the levy limit (2.5%) and \$1.6 million of new growth. The 2% increase in State Aid reflects the ongoing concern regarding the State's fiscal situation. The 2.7% increase in Local Revenue reflects increases in licensing and permitting fees, and parking fines. The large increase in Other Sources is largely attributable to increases in utilization of CPA (Community Preservation Act) funds. The decrease in Exclusions & Exemptions reflects a further reduction in the OPEB funding exclusion and a decrease in excluded debt service arising from the Town's practice of amortizing most debt on a "level principal" basis.

Uses of Funds: The 4.3% increase in the School budget reflects the cost of contractual step, lane and cost of living increases and higher special education costs. The 2.6% increase in Other

Town Departments is consistent with the wage increases levels recommended by the Human Resources Board. The 14.8% increase in cash capital is largely attributable to increased road resurfacing funds within the DPW budget and a further increase in Facilities Maintenance capital.

The Town is also anticipating appropriation requests to fund the following items using Free Cash:

- Supplemental FY16 appropriations (Article 7)
 - \$250,000 for current year snow and ice removal costs
 - \$75,000 for legal costs associated with the work of the Town Government Study Committee and the planned transition to a Selectmen – Town Manager form of government
- \$91,950 appropriation to the Special Purpose Stabilization Fund for injured-on-duty medical costs incurred by Police and Fire Department personnel (Article 9)
- \$200,000 for further study of traffic and enrollment issues related to the replacement and/or renovation of the Hardy, Hunnewell and Upham elementary schools (Article 22)

Reserves

Mindful of the need to maintain sufficient financial reserves to support the Town’s favorable AAA bond rating, we continue to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels.

Of particular concern are the balances in the Town’s Stabilization Fund (a separate reserve fund) and the balance of Free Cash. Under Massachusetts Department of Revenue (DOR) rules, these are the reserve balances specifically available for appropriation by Town Meeting for any lawful purpose. Appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting, whereas appropriations from Free Cash require a majority vote. The total of Stabilization Fund balances as of June 30, 2015 was \$3.5 million and we do not anticipate any requests for appropriations from this fund. The level of Free Cash, as certified by the DOR, was \$8.8 million as of July 1, 2015.

The following chart summarizes the changes in Free Cash for the years FY11-15:

<i>Free Cash</i>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<i>Beginning of year</i>	\$ 9,471,751	\$ 8,439,070	\$ 10,499,623	\$ 10,950,782	\$ 10,336,925
<i>Uses</i>	(3,715,184)	(3,112,757)	(3,630,881)	(3,987,715)	(4,867,591)
<i>Net Free Cash generated</i>	2,682,503	5,173,310	4,082,040	3,373,858	3,362,166
<i>End of year</i>	<u>\$ 8,439,070</u>	<u>\$10,499,623</u>	<u>\$ 10,950,782</u>	<u>\$ 10,336,925</u>	<u>\$ 8,831,500</u>

Free Cash is “generated” by revenues in excess of budget, budget “turn-back” (amounts budgeted but not spent), and other timing differences. The Town’s ability to generate Free Cash has enabled the rebuilding of the Town’s financial reserves, and funded a number of operating and capital investments, as reflected in the “Uses” quantified above. The potential for generating additional Free Cash in FY16 is an important factor in our evaluation of the proposed use of these reserves to help balance the FY17 budget.

- Other employee benefits 2.5%

Given the relative size of the School budget, the assumption regarding the growth in School spending has the greatest impact.

Based on these assumptions and assuming no overrides, we are projecting deficits in the range of \$4.0-4.2 million in each of the years' FY18-20. Further details regarding these projections are provided in Exhibit II. We will continue to refine these projections over the next few weeks and provide an update at Town Meeting. The projected deficits underscore the need for further planning to better balance service expectations against taxpayers' willingness to pay. They also provide a clear context for the ongoing collective bargaining with several of the Town's large unions. Reducing or eliminating these deficits without an override would require some combination of lower rates of spending growth and/or further growth in revenues.

The following table is a roll-forward projection of the median tax bill (i.e., the tax bill for a home valued at \$991,000) for the period FY16 – FY20:

	Median Tax Bill				
	FY16	FY17	FY18	FY19	FY20
Prior year median tax bill	\$ 11,098	\$ 11,723	\$ 11,919	\$ 12,424	\$ 12,820
Levy growth	277	293	298	311	320
Override	-	-	276	-	-
Schofield/Fiske	121	45	(3)	(4)	(4)
Middle School Windows	18	26	(1)	(1)	(1)
North 40	133	(0)	(0)	(0)	(0)
Tolles-Parsons Center	-	9	46	(1)	(1)
Hardy/Hunnewell/Upham	-	-	-	82	329
Middle School Infrastructure	-	-	-	69	(2)
Other debt exclusions	(34)	(122)	(56)	(59)	(26)
OPEB funding exclusion	(55)	(55)	(55)	-	-
Other	165				
Current year median tax bill	<u>\$ 11,723</u>	<u>\$ 11,919</u>	<u>\$ 12,424</u>	<u>\$ 12,820</u>	<u>\$ 13,435</u>
<i>% Increase</i>	<i>5.6%</i>	<i>1.7%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>4.8%</i>

For discussion purposes, we have included a \$3 million Proposition 2½ override in FY18 to help reduce the projected deficits. No decisions have been made regarding such an override, and further planning work and discussions need to be held in the coming months on this issue.

This Town-Wide Financial Plan is a continual work-in-progress and we will provide further updates on these matters at Town Meeting.

We would like to express our sincere appreciation to all of the Town boards and their respective staffs for their cooperation in working with us to create a plan that will ensure the continued financial health of our community.

Sincerely yours,

A handwritten signature in cursive script that reads "David L. Murphy".

David L. Murphy, Chair
Marjorie R. Freiman, Vice Chair
Ellen F. Gibbs, Secretary
Jack Morgan
Barbara D. Searle

Exhibits:

- I - FY17 Summary Sources & Uses of Funds, page 24
- II - Projected Sources & Uses of Funds, page 25

Appendices appearing later in this book:

- B – FY17 Detail Sources & Uses of Funds, page 176
- C – Five Year Capital Budget Program, page 182

Exhibit I – FY17 Summary Sources & Uses of Funds

	FY2016 Tax Rate	FY2017 Request	% Change
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	113,458,735	117,895,203	3.91%
From the Commonwealth	9,201,364	9,386,000	2.01%
Local Revenue	10,908,415	11,205,000	2.72%
Sub-Total (Tax & Cur. Rev.)	133,568,514	138,486,204	3.68%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	12,803,348	12,374,727	-3.35%
OPEB	1,200,000	600,000	-50.00%
Available Funds			
Parking Meter Receipts	912,971	906,874	-0.67%
Appropriated/Reserved CPA Surcharge	891,950	1,615,400	81.11%
CPA Funds for North 40	580,000	548,944	
Free Cash- balance budget	2,624,169	2,498,871	-4.77%
Free Cash- Park Hwy HVAC/ STM items & LIB 2015	132,000		100.00%
Unencumbered/Transfers from other funds	75,000	150,000	100.00%
Sub-Total (Available Funds)	5,216,090	5,720,089	9.66%
TOTAL SOURCES OF FUNDS	152,787,952	157,181,020	2.88%
*** USE OF FUNDS ***			
Personal Services (Non-School)			
Expenses (Non-School)	6,844,303	7,004,298	2.34%
Subtotal (Non-School)	27,445,278	28,181,940	2.68%
Personal Services (Facilities Maintenance)			
Expenses (Facilities Maintenance)	3,820,393	3,951,660	3.44%
Subtotal (Facilities Maintenance)	6,901,668	7,059,340	2.28%
Personal Services (School)			
Expenses (School)	58,223,703	61,371,111	5.41%
Subtotal (School)	66,689,159	69,524,634	4.25%
Sub-Total (Pers. Svcs. & Exp)	101,036,105	104,765,914	3.69%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	4,501,752	5,167,179	14.78%
Debt Service	3,970,125	3,599,282	-9.34%
Sub-Total (Within Levy Limits)	8,471,877	8,766,461	3.48%
Outside Levy Limits			
Debt Service	13,383,348	12,923,671	-3.43%
SUB-TOTAL (CAPITAL & DEBT)	21,855,225	21,690,132	-0.76%
Employee Benefits:			
Health Insurance & other	16,982,677	16,914,824	-0.40%
Pension Contribution	6,150,755	6,390,114	3.89%
OPEB Liability Fund	3,000,000	3,000,000	0.00%
Sub-Total (Shared Costs)	26,133,432	26,304,938	0.66%
SUB-TOTAL (OPERATIONS)	149,024,762	152,760,984	2.51%
Special Items:			
Traffic & Parking Management	868,721	862,924	-0.67%
Appropriated/Reserved CPA Surcharge	891,950	1,615,400	81.11%
State & County Assessments	1,220,044	1,266,712	3.83%
Property Tax Abatements	650,475	675,000	3.77%
Free cash - Snow & Ice			
Free Cash- Park Hwy/Tolles/Contracts/other	132,000	-	100.00%
Sub-Total (Special Items)	3,763,190	4,420,036	17.45%
TOTAL USE OF FUNDS	152,787,952	157,181,020	2.88%
TOTAL SOURCE OF FUNDS	152,787,952	157,181,020	2.88%
SURPLUS (DEFICIT)	0	(0)	

Exhibit II -- Projected Sources & Uses of Funds

Exhibit II

Projected Sources & Uses of Funds

	FY16	Assumed Growth	FY17	FY18	FY19	FY20
Sources						
Property Taxes	\$ 113,458,735		\$ 117,895,203	\$ 122,442,583	\$ 127,103,648	\$ 131,881,239
Override	-		-	-		
State Aid	9,201,364	2.0%	9,386,000	9,573,720	9,765,194	9,960,498
Local Revenue	10,908,415	1.5%	11,205,000	11,373,075	11,543,671	11,716,826
Free Cash	2,624,169		2,498,871	2,500,000	2,500,000	2,500,000
OPEB exclusion	1,200,000		600,000	-	-	-
Other	119,250		193,951	43,250	222	43,250
	<u>137,511,933</u>		<u>141,779,025</u>	<u>145,932,628</u>	<u>150,912,736</u>	<u>156,101,814</u>
Uses						
Schools	66,689,159	5.0%	69,524,634	73,000,866	76,650,909	80,483,454
Facilities Maintenance	6,887,560	2.5%	7,059,340	7,235,824	7,416,719	7,602,137
Other Town Departments	27,459,386	2.5%	28,181,940	28,886,489	29,608,651	30,348,867
	<u>101,036,105</u>		<u>104,765,914</u>	<u>109,123,178</u>	<u>113,676,279</u>	<u>118,434,458</u>
Cash Capital	4,501,752		5,167,179	7,527,174	6,850,472	6,225,563
Debt Service (Inside)	3,970,125		3,599,282	4,000,000	4,000,000	4,000,000
Pension	6,150,755		6,390,114	6,621,863	6,861,373	7,108,887
Health Insurance	14,481,761	5.0%	14,335,304	15,052,069	15,804,673	16,594,906
OPEB	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000
Other Employee Benefits	2,500,916	2.5%	2,579,520	2,644,008	2,710,108	2,777,861
State & County Assmts.	1,220,044	2.5%	1,266,712	1,298,380	1,330,839	1,364,110
Abatements	650,475	2.5%	675,000	691,875	709,172	726,901
Other	-		-	-	-	-
	<u>36,475,828</u>		<u>37,013,111</u>	<u>40,835,369</u>	<u>41,266,637</u>	<u>41,798,229</u>
	<u>137,511,933</u>		<u>141,779,025</u>	<u>149,958,547</u>	<u>154,942,916</u>	<u>160,232,687</u>
Projected Surplus/(Deficit)	<u>\$ -</u>		<u>\$ 0</u>	<u>\$ (4,025,918)</u>	<u>\$ (4,030,180)</u>	<u>\$ (4,130,873)</u>
Exclusions						
OPEB	1,200,000		600,000	-	-	-
Schofield/Fiske	1,317,463		1,812,128	1,777,608	1,735,339	1,693,069
Middle School Windows	197,556		476,252	463,865	450,028	436,190
North 40	1,444,313		1,442,975	1,440,725	1,437,325	1,433,202
Tolles Parsons	-		100,000	603,000	589,600	576,200
HHU	-		-	-	888,000	4,470,200
Middle School Infrastructure	-		-	-	750,400	728,960
Other Exempt Debt	9,873,288		8,543,372	7,935,073	7,297,998	7,014,015
	<u>14,032,620</u>		<u>12,974,727</u>	<u>12,220,271</u>	<u>13,148,690</u>	<u>16,351,836</u>

ARTICLE 1. To choose a Moderator to preside over said meeting and to receive and act on the reports of Town officers, boards and committees, including the Annual Town Report, the Report to this Town Meeting of the Advisory Committee, and the Report of the Community Preservation Committee, and to discharge presently authorized special committees, or to take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 2. To receive the Reports of the Board of Selectmen on the Town-Wide Financial Plan and Five-Year Capital Budget Program in accordance with Sections 19.5.2 and 19.16 of the Town Bylaws, or to take any other action in relation thereto.

(Board of Selectmen)

The Executive Director and the Board of Selectmen maintain two important financial planning reports, the Town-Wide Financial Plan (TWFP) and the Five Year Capital Budget Program, which are attached to, and made a part of, the TWFP. The TWFP is reproduced on page 13, and the Five Year Capital Budget Program is in Appendix C on page 182. The purpose of the TWFP is to anticipate and to prepare for emerging issues, to protect the Town from risk and to plan for the long term. The Five Year Capital Budget Program has as its goals the preservation and enhancement of the Town's assets and infrastructure and anticipating the financial impacts from major projects well in advance.

Under Article 2, Town Meeting is asked to accept the TWFP and the Five Year Capital Budget Program, but not specifically to approve them.

Advisory looks favorably on the TWFP, both in terms of its scope and in the clarity of its presentation. The Advisory Chair's letter, on page 3, and Advisory's "Conclusions and Recommendations" on Article 8, Motion 2, on page 38, contain some of Advisory's reflections on the Town's budget process, which need not be repeated here.

The bottom line is that the Town may face a deficit in FY18, and thus an override in order to maintain existing levels of service. Whether this is the case will depend on health care costs and school budget growth, on the uses of funds side, and the degree to which the property tax base increases through new construction, on the sources side.

The largest capital project on the horizon is the planned renovation, reconstruction or consolidation of Hardy, Hunnewell, and Upham Schools (HHU). The Town is using a placeholder amount for these projects in its Five Year Capital Budget Plan of \$94,888,000 (up from the last projection of 46.9 million in FY17 plus \$43 million in FY19). The Town is also assuming that there would be no reimbursement from the Massachusetts School Building Authority (MSBA). It was planned to begin the design phase of this work in FY17; however, the School Committee has decided that additional traffic and school enrollment studies should be conducted before selecting among alternative scenarios. The School Committee's decision has the practical effect of pushing the project out by a year. Whether this will lead to increased costs is of concern, but Advisory does not have enough information to evaluate the question.

Advisory notes the following matters which may be worth considering in future revisions of the TWFP:

- There is no plan for reducing personnel costs, for instance, through automation or consolidation of tasks. In fact, the Town's staff size is increasing this year. Advisory believes that the only practical approach to managing payroll and benefits costs is through controlling staff size (FTEs), not through further limiting rates of pay. This is an area where long-range planning is essential.
- The TWFP does not interface effectively with the School Committee's strategic plan. One reason for this is the independence that Schools have, both by law and by custom. However, the near total independence in planning may mean, for instance, that opportunities to consolidate functions between Schools and General Government are overlooked. For instance, School employees have the same health insurance plan as all other Town employees and School buildings are maintained by a central department, the Facilities Maintenance Department (FMD), which maintains all Town buildings. Similar opportunities to share services might be found elsewhere.
- It would be useful to see an analysis of what the Town is getting in terms of value for the FMD, now that it is coming up on five years since the department was created. This could include a report on whether the \$2,000,000 per year budget goal is reasonable and realistic.

Advisory recommends favorable action, 14 to 0.

ARTICLE 3. To see if the Town will vote to take action on certain articles set forth in this warrant by a single vote, pursuant to a consent agenda, or to take any other action in relation thereto.

(Board of Selectmen)

This Motion seeks Town Meeting approval of a consent agenda that includes motions under five Warrant articles. A consent agenda allows the motions under the included articles to be acted on by a single vote without oral presentations on the individual articles. Information to Town Meeting Members (TMMs) is provided solely by the *Advisory Report*. The articles proposed for inclusion at this Annual Town Meeting (ATM) are:

- Article 4: Amend Job Classification Plan;
- Article 11: Reauthorize Revolving Funds;
- Article 14: Water Program (Enterprise Fund);
- Article 15: Sewer Program (Enterprise Fund); and
- Article 43: Appoint Fire Engineer

Motions under articles included in the consent agenda go through the entire Advisory Committee vetting process and are fully described in this *Advisory Report*.

The objective of a consent agenda is to expedite consideration of certain routine, self-explanatory and/or non-controversial issues for which no discussion on the floor of ATM is anticipated, so time can be devoted to discussion of motions under articles that involve more complex or controversial issues. The Moderator has worked with the Board of Selectmen (BOS) and Town Counsel to establish criteria for including articles in the consent agenda:

1. The proponent, the Moderator and the BOS must agree that the article can reasonably be voted by TMMs on the basis of information in the *Advisory Report*; that the article is

likely to be non-controversial; and that the article is unlikely to generate debate based on its content and historical precedent;

2. The Advisory Committee must recommend favorable action unanimously on each motion within the article; and
3. Approval of the article must require a majority (not a super-majority) vote by TMMs.

Under this Motion, the Moderator will specifically refer to each article included in the consent agenda, and TMMs will have an opportunity to ask questions about any motion(s) under that article, or request to remove a particular article from the consent agenda to enable the motion(s) under that article to be more fully discussed on the floor of Town Meeting. A representative of the board or committee proposing the article will respond to questions raised by a TMM, and if a TMM requests that an article be removed from the consent agenda, it will be taken up in its regular order within the Warrant.

The consent agenda was used at both the 2014 ATM and the 2015 ATM and was deemed successful by the Moderator and by Town Meeting; no articles were removed from either of those consent agendas. Advisory continues to believe that a consent agenda is both expedient and productive and that the five articles proposed for inclusion in the consent agenda for this year's ATM meet the Moderator's criteria.

Advisory recommends favorable action, 13 to 0.

ARTICLE 4. To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes to the appendix to the Classification and Salary Plans established under Sections 31.1 and 31.6 respectively, which constitutes part of said Bylaws, relating to the establishment of new classifications, reclassifications of current positions, and the deletion of classifications; or to take any other action in relation thereto.

(Human Resources Board)

Schedule A of Article 31 of the Town Bylaws is a list of job classifications (designated by job group) for all Town employees other than School Department employees. The Human Resources Board (HRB) is empowered under Article 31 to establish new classifications, to amend existing job classifications to reflect changes in job content, and to delete classifications that are no longer needed. These actions are considered at the request of Town boards or are initiated by the HR Department during the fiscal year and reviewed by the HRB.

This Motion seeks Town Meeting approval for actions taken since the 2015 Annual Town Meeting (ATM), as is required by the Town Bylaws. Since the 2015 ATM, there have been three types of changes: *New Classifications, Title Changes and Reclassifications.*

New Classifications are new positions that have been created since the 2015 ATM. This year, there are three new classifications:

Classification	Dept	Job Group
Senior Project Manager	FMD	61
Assistant Director of Senior Services	COA	54
Department Assistant	FMD	42

Reclassifications are existing positions for which the duties, functions, or requirements in the job description have changed. The HRB re-evaluates these positions using the Hay System of Job Evaluation ¹ based on revised position descriptions provided by the appropriate Town boards. It is important to emphasize that the HRB re-evaluates positions and not individual personnel. While a reclassification might result in a wage increase or decrease for an individual currently holding the position, this is not the intent or focus of the evaluation; it is wholly to ensure fair compensation commensurate with the duties and responsibilities of a given position. The financial impact, if any, is included in the relevant department's operating budget. This year, there were three reclassifications resulting in a change in *Job Group* but no change in *Job Title*:

Title	Dept	Prior Job Group	New Job Group
Assistant Town Clerk	TC	51	52
Assistant Town Engineer	DPW	59	60
Accounting Specialist	DFS	51	53

There was one additional reclassification resulting in a change in both *Job Group* and *Job Title*:

Prior Title	New Title	Dept	Prior Job Group	New Job Group
Energy Manager	Operations Manager	FMD	58	59

Title Changes simply assign a new job title to a position. This year there were three title changes:

Prior Title	Dept	New Title
Program Administrator	REC	Associate Director
Assistant Director	REC	Deputy Director
Maintenance/Operations Manager	FMD	Operations Manager

This Motion does not require a budget appropriation, as the costs associated with new classifications were funded by the affected departments in FY16, and the incremental costs associated with reclassifications were either absorbed by the department or funded by the 2015 ATM appropriation under Article 4 to the HRB (the reserve for mid-year adjustments). Future funding for these positions will be included in the appropriate departmental budgets.

¹ The Hay Job Evaluation System was introduced in the early 1950s. It assigns points to job components such as required knowledge, problem-solving ability and level of accountability, to determine relative value among different positions. The Hay System is used by an estimated 8,000 organizations including half of the Fortune 500 companies and has been used by the HRB for many years.

The changes listed above are incorporated in Part 1 of Schedule A. Changes in classifications that are covered by collective bargaining agreements are subject to negotiation between the Town and the appropriate union. These changes are incorporated in Part 2 of Schedule A.

Advisory appreciates that it is the responsibility of the HRB to review requests for changes to job classifications and to ensure fair, appropriate and consistent classification of positions across the Town. Individual boards are responsible for ensuring that such requests fall within current and projected budgets. Advisory considers the actions of the HRB in FY16 to be consistent with these objectives.

Advisory recommends favorable action, 13 to 0.

ARTICLE 5. To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by amending Schedule B, entitled “Salary Plan – Pay Schedule”, and to authorize the Town to raise and appropriate, transfer from available funds, or borrow a sum of money for the purposes of complying therewith, or to take any other action in relation thereto.

(Human Resources Board)

ARTICLE 5, MOTION 1

The Human Resources Board (HRB) seeks Town Meeting approval to amend *Schedule B: Salary Plan - Pay Schedules* for the Series 40 employees. Schedule B sets the rates of pay for all Town employees except School Department personnel, MLP employees, Retirement Board staff and managers who have employment agreements with the Board of Selectmen.

SCHEDULE B
SALARY PLAN – PAY SCHEDULES
Rates effective as indicated as of July 1, 2016
Hourly rates – reflects 2.5% increase over FY16

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
49	23.84	24.91	26.04	27.21	28.45	29.71
48	22.92	23.92	24.99	26.11	27.31	28.53
47	21.97	22.96	23.97	25.08	26.19	27.37
46	21.04	22.00	22.99	24.04	25.12	26.24
45	20.07	20.97	21.92	22.92	23.92	24.99
44	19.14	20.00	20.90	21.85	22.81	23.84
43	18.17	19.00	19.85	20.76	21.68	22.66
42	17.24	18.02	18.82	19.69	20.56	21.49
41	16.46	17.22	18.00	18.79	19.64	20.50
T19*	27.36	28.71	30.17	31.65	33.24	34.90

* Trade positions – non-union

The proposed Schedule B adjusts the Series 40 salary schedule to grant a 2.5% pay rate increase for the entire group. These positions are non-union, non-management staff and are eligible for overtime.

The proposed increase is based on a benchmark survey of sixteen comparable communities,¹ which indicates that although the Town's Series 40 employees' compensation continues to lag behind the market, it remains competitive. The Town's average maximum pay rate (Step 6 above) is about 6.5% lower than the average of the benchmark towns. The HRB has also taken into consideration current and projected inflation rates, collective bargaining agreements from other municipalities, regional projections from the Bureau of Labor Statistics, as well as pay rates and increases of Town employees covered by collective bargaining agreements which range from 2% to 4%. This increase will help the Town of Wellesley remain competitive in the job market and maintain its standing when compared to other municipalities.

Based on this data, the HRB has determined that a 2.5% increase in the Series 40 Salary Plan Pay Schedule is appropriate and equitable. The total impact on the Town budget of the proposed increase is approximately \$59,000. This increase is included in the budget requests of the affected Town departments. It does not include step increases for which employees may be eligible.

The existing step increases, which average 4.55%, remain unchanged. As of March 1, 2016, 13 of the Town's 55 Series 40 employees were eligible for a step increase. Thirty-four employees had reached the highest salary step and were not eligible for a step increase; eight employees in part-time positions without benefits will not receive yearly step increases.

Advisory agrees that the proposed 2.5% increase for the Series 40 employees is reasonable, appropriate and consistent with the collective bargaining increases, which have been agreed to for the Town's union-represented employees. Moreover, the 2.5% increase in the Salary Schedule for the Series 40 employees is consistent with the HRB's mandate to maintain a fair and equitable pay level for these unrepresented employees. No separate appropriation is necessary under this motion since the 2.5% increase in the salaries of the Series 40 employees and the step increases for those who are eligible for them are already included in the budget requests of the various Town departments in which they are employed.

Advisory recommends favorable action, 14 to 0.

ARTICLE 5, MOTION 2

The HRB seeks Town Meeting approval to amend Schedule B: Salary Plan - Pay Schedules for the Series 50/60 employees by adjusting the salary ranges as follows:

¹ The benchmark communities are Arlington, Belmont, Brookline, Concord, Dedham, Framingham, Lexington, Milton, Natick, Needham, Newton, Sudbury, Wayland, Weston, Westwood and Winchester.

SCHEDULE B
 SALARY PLAN – PAY SCHEDULES
Salary rates effective as indicated as of July 1, 2016
Reflects 2.25% increase over FY16 ranges at midpoint

Job Group	Minimum	Midpoint	Maximum
69	129,200	164,600	200,000
68	119,800	152,600	185,400
67	111,000	141,400	171,800
66	102,800	130,900	159,000
65	95,200	121,300	147,400
64	88,900	113,200	137,500
63	83,200	105,700	128,200
62	78,000	99,100	120,200
61	72,900	92,600	112,300
60	68,400	86,600	104,800
59	63,700	80,600	97,500
58	59,900	75,800	91,700
57	56,200	70,700	85,200
56	52,500	66,000	79,500
55	49,100	61,800	74,500
54	46,900	58,800	70,700
53	44,700	56,100	67,500
52	42,400	53,200	64,000
51	40,600	50,700	60,800
50	38,700	48,400	58,100

Information Technology

Job Group	Minimum	Midpoint	Maximum
61	82,400	104,600	126,800
60	77,400	98,000	118,500
59	72,300	91,600	110,800
58	67,300	85,200	103,100
57	62,900	79,700	96,000
56	59,000	74,600	90,000
55	56,800	71,000	85,500
54	53,900	67,600	81,300
53	51,400	64,400	77,500
52	48,900	61,400	73,700
51	46,800	58,500	70,200

The proposed 2.25% adjustment to the midpoint in the job group salary ranges does not result in an automatic salary increase unless an employee falls below the minimum of his or her range. The proposed increase accommodates potential increases under the Merit Pay Plan (see Motion 3) and keeps the ranges flexible and competitive with market rates.

Advisory considers the proposed 2.25% increase to the Series 50/60 salary midpoints to be reasonable and appropriate.

Advisory recommends favorable action, 14 to 0.

ARTICLE 5, MOTION 3

The HRB seeks approval for an appropriation of \$165,000 to fund a \$150,000 Merit Pay Plan for the Series 50 and 60 employees and a \$15,000 reserve for mid-year adjustments.

Merit Pay Plan

The Town of Wellesley provides for salary increases to the Series 50/60 employees based both on performance and standing in their respective salary ranges. The \$150,000 Merit Pay Plan request for FY17 yields a projected average increase of 2.5% for the 92 current employees within the 50/60 Series Job Groups. The salary increases are not automatic, but instead are based on an employee's position within the salary range of his or her job group, as well as his or her annual performance rating. The Merit Pay Plan is designed to accelerate the movement of low-range employees to the midpoint (market rate) of their range. The 0.25% differential between the average salary increase and the movement of the salary midpoint is usual practice by the HRB, allowing employees being paid below the midpoint to achieve midpoint and rewarding long-serving and high-performing individuals. Pay increases during FY17 will be funded from this Merit Pay Plan pool; it is important to note that the FY17 Series 50/60 employee salary increases do not appear in the departmental budgets listed in Article 8, Motion 2.

Salary Adjustment Reserve

This \$15,000 Reserve Fund is designed to enable the funding of incremental salary increases for: 1) positions identified as being significantly below market comparables, which may result in Job Group changes for those positions; 2) individual salaries identified as being significantly below market rate, which may be addressed by salary adjustments within the Job Group range; and 3) mid-year promotions or other reclassifications that cannot be funded within the respective Town departmental budgets.

Advisory agrees that the Merit Pay Plan is consistent with the Town's objectives to compensate employees fairly, based on performance, and as close to the appropriate market rate as possible. Advisory believes the approach outlined in the proposed Merit Pay Plan and the funds provided in the Salary Adjustment Reserve will enable progress toward these stated objectives.

Advisory recommends favorable action, 14 to 0.

ARTICLE 6. To see if the Town will vote to fix the salary and compensation of the Town Clerk, as provided by Section 108 of Chapter 41 of the General Laws, or to take any other action in relation thereto.

(Board of Selectmen)

Under this Article, the Board of Selectmen (BOS) requests a salary increase for the Town Clerk. The Town Clerk is the only elected official in Wellesley to receive a salary.

Each year, the BOS reviews the Town Clerk's salary and makes a recommendation to Town Meeting for an appropriate merit increase for the next fiscal year. The Selectmen take into consideration any adjustments made to the Series 50 salary ranges under Article 5 as well as other factors. For FY16, the Town Clerk's salary is \$1,648.67 weekly, or \$85,731 annually. The BOS proposes to increase this by 2.5% for FY17, to \$1,689.89 weekly, which is \$87,875 annually, or \$88,212 for the 52.2 week year.¹

As a reminder to Town Meeting, the Town Clerk's salary was increased by 5% for FY16, based on the observation by the BOS that the Town Clerk's salary was 95% of that of Wellesley's benchmark towns (Brookline, Concord, Dedham, Lexington, Milton, Natick, Needham, Sudbury, Wayland, Weston, and Winchester) even after eliminating the highest (Brookline) and the lowest (Wayland). The rationale for the 5% increase was to move the Town Clerk's salary to the average for the benchmark towns. It is also noted that the Town Clerk is not covered by the Salary Plan (see Article 5, Motion 2) and therefore does not benefit from movements in the salary range. The Town Clerk also does not have salary steps.

Advisory recommends favorable action, 13 to 0.

ARTICLE 7. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to supplement or reduce appropriations approved by the 2015 Annual Town Meeting, or to take any other action in relation thereto.

(Board of Selectmen)

ARTICLE 7, MOTION 1: WINTER SUPPLEMENTAL APPROPRIATION

This Motion requests a supplemental FY16 appropriation of \$250,000 to the Board of Public Works (BPW) for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance, fuel, de-icing chemicals, and personal services. When plowing occurs during regular working hours, the personnel cost is included in the regular DPW budget. However, when the work occurs outside of normal working hours, requiring payment to DPW staff, or when outside contractors are required because of the size of a snow/ice event, the cost is applied against the winter maintenance budget. The number, timing, and severity of the storms or events all influence these annual costs.

¹ The actual Town Clerk salary for FY16, including an adjustment to 52.4 weeks for leap year, was \$86,391. The actual appropriation at the 2015 ATM was for the annual salary of \$85,731.

DPW Snow and Ice History							
	FY10	FY11	FY12	FY13	FY14	FY15	FY16*
Sources							
Appropriation in Article 8, Motion 2	\$348,703	\$348,703	\$348,703	\$348,703	\$348,703	\$348,703	\$348,703
Supplemental	300,000	750,000	-	450,000	650,000	1,025,000	\$250,000
Total Appropriation	<u>\$648,703</u>	<u>\$1,098,703</u>	<u>\$348,703</u>	<u>\$798,703</u>	<u>\$998,703</u>	<u>\$1,373,703</u>	<u>\$598,703</u>
Uses							
Personal Services	168,909	299,647	42,967	240,940	366,863	460,694	117,020
Sand/Salt	118,326	154,074	48,064	140,673	196,335	296,825	172,501
Contractor Plowing	20,343	122,589	2,644	57,841	85,193	64,383	1,467
Vehicle Repair	303,029	430,623	244,839	308,160	332,807	472,737	209,573
Other	19,095	84,237	10,189	51,089	17,506	79,007	5,190
Total PS & Expenses	<u>\$629,702</u>	<u>\$1,091,170</u>	<u>\$348,703</u>	<u>\$798,703</u>	<u>\$998,704</u>	<u>\$1,373,647</u>	<u>\$505,751</u>
Events							
Sanding/Salting	10	11	4	12	14	12	8
Plowing	6	10	1	4	9	6	4
Snow/Ice Removal	0	2	0	1	5	4	0
Flooding	2	0	0	0	0	0	0
Total Snowfall	33"	81"	15"	58"	64"	94"	24"

*FY16 costs are given through February 23, 2016

As seen in the chart above, the Town has appropriated \$348,703 for snow and ice removal at every Annual Town Meeting since 2009 under the provisions of the Massachusetts General Law, Chapter 44, Section 31D, a town may unilaterally make expenditures in excess of the current year's winter snow and ice budget provided that the BOS and the Advisory Committee approve such expenditures and the appropriation equals or exceeds that of the prior year. Under the law, a town may fund any supplemental appropriations from Free Cash in the current year or roll the excess into the following year's tax rate. Wellesley has chosen the first approach.

In FY09, FY10, FY11, FY13, FY14, and FY15, additional appropriations from Free Cash have been approved by Town Meeting in amounts ranging from \$300,000 to \$800,000 per year depending on the severity of the winter. In February 2016, the BPW secured the necessary approvals from the BOS and Advisory for \$250,000 in supplemental spending for FY16. Any funds which are unspent at the end of five years, will be returned to the General Fund.

Despite the fact that this line item is so unpredictable, the principal reason that the budget figure has not been raised in eight years is that the Town wishes to keep the winter maintenance budget unencumbered in years with low winter maintenance needs. Most Advisory members support this approach, though others feel that keeping the winter maintenance budget low makes the resulting (sometimes significant) fluctuations in Free Cash unnecessarily difficult to anticipate.

Although this winter has been on the light side in terms of accumulation, the DPW has had nine responses including road treatment. Also, a significant portion of the vehicle expenditures each year is made to prepare the winter fleet, including the sidewalk tractors and salting vehicles. The DPW makes every effort to minimize these costs while balancing the requirement to have the fleet ready to respond and available through the duration of each event.

Advisory appreciates the work of the BPW in keeping our streets and sidewalks safe to navigate during the winter months. However, the need for this \$250,000 supplemental request serves as

a reminder that the DPW must look both inside and outside the department to determine if there are other more cost-effective ways to remove snow and ice, Advisory encourages the BPW to continue its work with peer communities like Needham and Natick to share best practices, with the goal of reducing winter maintenance costs.

Advisory recommends favorable action, 14 to 0.

ARTICLE 7, MOTION 2: REPLENISH RESERVE FUND

The Advisory Committee requests a supplemental FY16 appropriation of \$118,880 to the Reserve Fund to make up for funds that were appropriated for an emergency reserve request by the Department of Public Works (DPW). The appropriation would restore the Reserve Fund to its normal level, \$175,000.

Last fall, when the DPW was constructing one of the walls for the salt shed project, pesticide contaminated soil was encountered unexpectedly. The Department of Environmental Protection ("DEP") requires an expedited response to such contamination. The waste was containerized, samples were analyzed and various soil and groundwater assessment were conducted. The waste was transported to a licensed disposal facility in Montreal, Quebec in February.

DPW asked Advisory to appropriate monies from the Reserve Fund to pay for this response. Advisory approved the emergency transfer in two motions. The first appropriation was on November 2, 2015 for \$44,880 for professional services required to sample, assess and complete all required reports. The second appropriation was for the containment, shipping and disposal of the material, which Advisory approved on January 13, 2016 for \$74,000. The DPW has spent \$54,658 to date and encumbered \$34,290. The DPW anticipates approximately \$10,000 in additional costs related to lab costs, filing fees, post reporting and possible monitoring.

The response action resulted in the creation of an Activity and Use Limitation (AUL) on a portion of the DPW lot. The AUL has been submitted to the DEP, following authorization by the Board of Selectmen on March 7.

Advisory notes that DPW's expenditure, approximately \$98,948, is less than the amount appropriated; however, it is not believed to be sound practice to rescind any part of this appropriation. The correct route is to seek this supplemental appropriation to restore the Reserve Fund from Free Cash. If there are no further appropriations from the Reserve Fund during FY16, then the funds, together with the unexpended monies that Advisory previously appropriated to the DPW, shall be returned to the Town's general funds.

Advisory believes that it is prudent to restore the Reserve Fund to its normal balance of \$175,000, in case a similar time-sensitive matter should arise again before the end of FY16.

Advisory recommends favorable action, 14 to 0.

ARTICLE 7, MOTION 3

Advisory expects a motion by BPW to adjust the sewer rates. Information was not final at the time this Report went to the printer, so Advisory will discuss this and make its recommendation at or before the Annual Town Meeting.

ARTICLE 7, MOTION 4

Advisory expects a motion by BOS to appropriate additional funds for legal services in connection with TGSC. Information was not final at the time this Report went to the printer, so Advisory will discuss this and make its recommendation at or before the Annual Town Meeting.

ARTICLE 8. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money for the following:

- 1) The operation and expenses of the several Town departments, including capital outlay, maturing debt and interest, and the provision of a Reserve Fund;
- 2) Extraordinary maintenance, special capital projects and other capital outlay items for the several Town departments;
- 3) Such purposes as may be voted contingent upon passage by the voters of referendum questions as authorized by Section 21c(g) of Chapter 59 of the General Laws,

and further to authorize the Board of Assessors to use any monies paid to the Town from the Wellesley Municipal Light Plant as an estimated receipt when computing the Fiscal Year 2017 Tax Rate, or to take any other action in relation thereto.

(Board of Selectmen)

Three motions are expected under Article 8:

Motion 1 authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY17 as approved by the MLP Board. The Board of Assessors must receive annual authorization to incorporate these funds from the MLP into the tax rate.

Motion 2 seeks appropriation of the funds detailed in the exhibit shown on the following pages to the respective boards and departments. This appropriation represents the material portion of spending in the FY17 budget, including operating budgets for all departments, cash capital spending, and debt service.

Motion 3 appropriates Free Cash to balance the tax-impact budget. The Department of Revenue has specifically requested the Town to add this motion whenever Free Cash is used to balance the budget.

ARTICLE 8, MOTION 1: MLP CONTRIBUTION

This Motion authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY17, as approved by the Municipal Light Board (MLB). The Board of Assessors must receive annual authorization to incorporate these funds from the MLP into the tax rate; favorable action on this Motion provides the required authorization for FY17.

Annual passage of this Motion permits the Town's taxpayers to continue receiving the benefit of owning the MLP. Although the MLP's annual cash payment of \$1 million has remained the same for the past 14 years, it remains among the most generous of the 40 municipally owned electric utilities in Massachusetts. The MLP's payment is even more impressive when compared to the real estate tax an investor-owned utility would pay to the Town. Based on the net book value of

the MLP's Wellesley assets, an investor-owned electric utility would make an annual real estate tax payment of \$579,760.

The MLP provides a number of other financial benefits to Wellesley. In addition to electric rates that are more than 48% below surrounding communities, all municipal departments receive an added discount of 4%, and the current streetlight rate per kilowatt-hour is approximately half the cost charged by investor-owned utilities. The MLP also provides a fiber interconnection to all Town buildings at no cost to the taxpayers.

Advisory Considerations

Advisory values the MLP's \$1 million payment and the important role it plays as a funding source for the ongoing operations of Town government. This contribution is in addition to discounted electric rates and reliable service that the MLP provides to its customers. Advisory notes that the MLP faces significant challenges related to potential rate increases resulting from higher transmission and capacity costs. For that reason, Advisory supports a conservative approach to any potential increase in expenditures at the MLP, including the \$1 million payment.

Advisory recommends favorable action, 13 to 0.

ARTICLE 8, MOTION 2

That the following sums of money be appropriated to the Town Boards and officials and for the purposes as hereinafter set forth:

Funding Item	Personal Services	Expenses	Total Operations
GENERAL GOVERNMENT			
To the Board of Selectmen for General Government; \$2,065,199 for Personal Services and 1,877,732 for Expenses. And it is recommended that the sums be allocated as follows:			
Board of Selectmen - Administration			
122 Executive Director's Office	437,648	26,500	464,148
126 Sustainable Energy	18,500	1,500	20,000
199 Central Administrative Services	0	28,500	28,500
133 Finance Department	412,960	8,700	421,660
155 Information Technology	453,719	271,544	725,263
145 Treasurer & Collector	289,400	115,050	404,450
195 Town Report	0	4,000	4,000
Board of Selectmen - Human Services			
541 Council on Aging	321,518	170,222	491,740
183 Fair Housing Committee	0	200	200
543 Veterans' Services	0	71,559	71,559
542 Youth Commission	79,412	17,090	96,502
Board of Selectmen - Other Services			
180 Housing Development Corporation	0	6,000	6,000
691 Historical Commission	0	750	750
690 Historical District Commission	0	250	250
693 Memorial Day	0	2,500	2,500
692 Celebrations Committee	0	4,700	4,700
176 Zoning Board of Appeals	52,042	6,940	58,982
Board of Selectmen - Shared Services			
151 Law	0	325,000	325,000
945 Risk Management	0	521,651	521,651
135 Audit Committee	0	58,200	58,200
458 Street Lighting	0	246,876	246,876
Subtotal - Board of Selectmen - General Government	2,065,199	1,887,732	3,952,931

Other General Government			
To the following Town boards and officials:			
161 Town Clerk/Election & Registration	279,814	40,915	320,729
141 Board of Assessors	262,928	81,500	344,428
175 Planning Board	234,607	46,750	281,357
185 Permanent Building Committee	217,713	7,300	225,013
152 Human Resources Board	282,960	38,300	321,260
131 Advisory Committee	7,000	25,000	32,000
132 Advisory Committee - Reserve Fund	0	175,000	175,000
Subtotal - Other General Government	1,285,022	414,765	1,699,787
GENERAL GOVERNMENT TOTAL	3,350,221	2,302,497	5,652,718
<u>FACILITIES MAINTENANCE - BOARD OF SELECTMEN</u>			
To the Board of Selectmen for Facilities Maintenance, \$4,027,275 for Personal Services and \$3,319,266 for Expenses. And it is recommended that the sums be allocated as follows:			
192 Facilities Maintenance	3,951,660	3,107,680	7,059,340
DPW Custodians	75,615	211,586	287,201
FACILITIES MAINTENANCE TOTAL - BOARD OF SELECTMEN	4,027,275	3,319,266	7,346,541
<u>PUBLIC SAFETY - BOARD OF SELECTMEN</u>			
To the Board of Selectmen for Public Safety, \$10,682,011 for Personal Services and \$942,153 for Expenses. And it is recommended that the sums be allocated as follows:			
210 Police Department	5,181,695	643,925	5,825,620
299 Special School Police	104,672	3,029	107,701
220 Fire Department	4,907,350	266,249	5,173,599
241 Building Department	472,574	26,150	498,724
244 Sealer of Weights & Measures	15,720	2,800	18,520
492 Radio Master Box	0	0	0
PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN	10,682,011	942,153	11,624,164
<u>PUBLIC WORKS</u>			
To the Board of Public Works, \$4,176,909 for Personal Services and \$2,512,514 for Expenses. And it is recommended that the sums be allocated as follows:			
410 Engineering	501,315	64,139	565,454
420 Highway	1,019,145	439,150	1,458,295
454 Fleet Maintenance	143,105	43,462	186,567
430 Park	1,117,181	338,345	1,455,526
440 Recycling & Disposal	1,048,716	1,254,747	2,303,463
450 Management	347,447	23,968	371,415
456 Winter Maintenance	0	348,703	348,703
PUBLIC WORKS TOTAL	4,176,909	2,512,514	6,689,423
<u>WELLESLEY FREE LIBRARY</u>			
To the Trustees of the Wellesley Free Library:			
610 Library Trustees	1,806,708	520,060	2,326,768
LIBRARY TOTAL	1,806,708	520,060	2,326,768
<u>RECREATION</u>			
To the Recreation Commission:			
630 Recreation Commission	324,876	20,000	344,876
RECREATION TOTAL	324,876	20,000	344,876
<u>HEALTH</u>			
To the Board of Health:			
510 Board of Health	404,735	78,503	483,238
523 Mental Health Services	0	255,691	255,691
HEALTH TOTAL	404,735	334,194	738,929

NATURAL RESOURCES			
To the Natural Resources Commission:			
171 Natural Resources Commission	196,567	21,900	218,467
172 Morses Pond	0	139,394	139,394
NATURAL RESOURCES TOTAL	196,567	161,294	357,861
NON-SCHOOL TOTAL			
	24,969,302	10,111,978	35,081,280
WELLESLEY PUBLIC SCHOOLS			
To the School Committee, \$61,371,111 in the aggregate for Personal Services and \$8,153,523 for Expenses. And it is recommended that the sum be allocated as follows:			
320 Instruction	44,601,229	2,310,902	46,912,131
330 Administration	954,255	156,235	1,110,490
340 Operations	952,845	624,976	1,577,821
360 Special Tuition/Transportation/Inclusion	14,862,782	5,061,410	19,924,192
SCHOOL TOTAL			
	61,371,111	8,153,523	69,524,634
EMPLOYEE BENEFITS			
To the Board of Selectmen for the purposes indicated:			
914 Group Insurance	0	16,138,304	16,138,304
Worker's Compensation	0	517,860	517,860
919 Other Post Empl. Benefits Liability Fund	0	3,000,000	3,000,000
910 Retirement Contribution	0	6,390,114	6,390,114
913 Unemployment Compensation	0	150,000	150,000
950 Compensated Absences	0	90,000	90,000
911 Non-Contributory Pensions	0	18,660	18,660
EMPLOYEE BENEFITS TOTAL	0	26,304,938	26,304,938
And further, that the balance on hand in the Workers' Compensation fund on June 30, 2016 and any interest earnings of the program, are appropriated for expenses related to the Workers' Compensation Program			
ALL PERSONAL SERVICES* & EXPENSES			
	86,340,413	44,570,439	130,910,852
CAPITAL & DEBT			
To the following Town boards and officials for the purposes indicated:			
Departmental Cash Capital			
400 Board of Public Works - Capital	0	1,954,000	1,954,000
300 School Committee - Capital	0	784,920	784,920
122 Board of Selectmen - Capital	0	349,913	349,913
161 Town Clerk - Capital	0	16,385	16,385
175 Planning Board	0	90,000	90,000
192 Facilities Maintenance - Capital	0	1,750,000	1,750,000
510 Health Department	0	13,661	13,661
610 Library Trustees - Capital	0	131,300	131,300
171 Natural Resources Commission - Capital	0	77,000	77,000
Subtotal - Cash Capital	0	5,167,179	5,167,179
To the Town Treasurer and Collector for:			
700 Current Inside Levy Debt Service - Issued	0	3,434,938	3,434,938
700 New Debt Service - Inside Levy	0	164,344	164,344
700 Current Outside Levy Debt Service -Issued	0	12,923,671	12,923,671
700 New Outside Levy Debt Service - Unissued	0	0	0
Subtotal - Maturing Debt & Interest	0	16,522,953	16,522,953
CAPITAL & DEBT TOTAL			
	0	21,690,132	21,690,132
RECEIPTS RESERVED FOR APPROPRIATION			
To the Board of Selectmen, to be taken from the Parking Meter Receipts Account:			
293 Traffic & Parking Operations	241,254	621,670	862,924
RECEIPTS RESERVED TOTAL			
	241,254	621,670	862,924
TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 2			
			153,463,908

*The personal services total does not include the 2.5% merit pool appropriated in Article 5.

OMNIBUS BUDGET OVERVIEW

The FY17 omnibus budget request is \$153,463,908, a 2.5% increase over the FY16 omnibus budget request of \$149,733,483.

Revenue from property taxes both inside and outside the levy, including property taxes on new growth, is projected to increase by 3.2% in FY17. Local revenue is projected to increase 2.7% and State Aid by 2.0%.

In order to balance the budget, \$2,498,871 from Free Cash is expected to be used (see the Town-Wide Financial Plan statement on page 13). Free Cash will also be used to fund certain appropriations not covered in Article 8, some of which appear in FY16 and others in FY17, as shown in the chart below:

Free Cash Used in FY16		Free Cash Used in FY17	
Purpose	Total Appropriation	Purpose	Total Appropriation
Snow and Ice Removal	\$1,025,000	Snow and Ice Removal	\$250,000
Injured on duty Stabilization Fund	40,946	Injured on duty Stabilization Fund	91,950
Middle School Windows	125,000	Design Police Roof	163,550
Hardy/Hunnewell/Upham	50,000	HHU Study	200,000
TGSC	32,000	TGSC Legal Costs	75,000
900 Worcester - Reimburse CPA	198,132	Executive Director/ Town Manager Search	35,000
N40 Landfill consulting	150,000		
Legal cost overrun 2015	100,000		
Supplemental SPED	472,344	Replenish Reserve (Salt Shed contaminated soil)	115,880
PAWS Preschool	50,000	Contract Settlement (Library, Police Units)	0
Balance next yr. budget	2,624,169	Balance FY17 Budget	2,498,871
Total FY15	\$4,867,591	Total FY16	\$3,430,251

Note that these uses of Free Cash, totaling \$3,430,251, all require (or required) Town Meeting approval.

Major Budget Drivers

The major components of the change in the operating budget are as follows:

	Change from FY16 to FY17	
Total Personal Services (includes 2.5% average raise for Series 50/60 equal to \$127,500)	\$4,039,225	+4.9%
Employee Benefits (dominated by healthcare)	\$438,852	+1.7%
Total Expenses (not including employee benefits)	\$60,912	+0.15%

Under Proposition 2½, the allowable levy growth for FY17 is \$4,436,468, which includes the 2.5% increase on existing property plus new growth. In the proposed FY17 budget, the total increase over the FY16 budget is \$4,393,068: schools represent 65.5% of the increase. The growth in the school budget is primarily from salaries. This year's increase in the tax impact pension contribution is \$239,359 representing a 3.9% increase over FY16. The increase is small

relative to experience over the last five years, although it is higher than last year's 3.5% increase. Increases in health insurance have grown significantly over the past five years, as is shown in the chart below, and Group Insurance plus Workers' Compensation currently represents 63% of the Town's employee benefits. The projected increase in the health insurance cost for FY17 is an estimate, as actual data will not be received until after publication of this report.

Pension appropriations grew significantly in recent years because the Town had stopped making contributions (although employees continued to fund the plan). Now that the Town has resumed funding the annual required contributions (ARC) to the pension according to an actuarial schedule, pension growth is in line with the revenue growth. Although health care costs have grown faster than revenues in recent years, Town Management has been proactive in negotiating union buy-in to new healthcare plan structures that have achieved large cost savings. In the 2017 budget, the employee benefits appropriation has increased about 0.5%.

Group Insurance + Workers' Compensation							
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
	Actual	Actual	Actual	Actual	Actual	Appropriation	Request
	13,859,281	14,830,927	15,796,768	15,659,773	16,586,944	16,724,561	16,656,164
Increase/ Decrease	-133,897	971,646	965,841	-136,995	927,171	137,617	-68,397
% Change	-1.00%	7.00%	6.50%	-0.90%	5.90%	0.83%	-0.41%

The chart below (left side) shows the top five departments' personal services spending ranked by dollar value of cost increase. The increase in personal services continues to be the primary driver of the overall budget increase at approximately \$4.04 million (+4.9% over FY16). The schools dominate the Personal Services increase (\$3.3 million, a 5.75% increase over FY16). The Town Clerk and the PBC both have comparatively substantial percentage increases in Personal Services.

Operating Increases in FY17 Compared to FY16*					
Personal Services			Expenses (Not Including Employee Benefits)		
Department	\$ Increase	% Increase	Department	\$ Increase	% Increase
Schools	3,346,857	5.75%	Schools (operations only)	101,301	16.67%
Public Safety	242,437	2.32%	DPW	66,250	2.49%
FMD (fac Maint Dpt)	146,076	3.82%	Risk Mgt (Insurance)	38,351	7.94%
DPW (Dpt Pub Works)	84,533	2.01%	FMD (fac Maint Dpt)	26,405	0.86%
PBC (Perm Bldg Com)	93,376	74.02%	Information Technology	25,711	10.46%

*These numbers include the average 2.5% Merit Pay Pool, which has been removed from the department totals in Article 8, Motion 2.

The chart above (right side) shows the top five departments' operating expense spending ranked by dollar value of the cost increase. Large personal service and/or operating expense increases are explained in more detail in the relevant sections below. In FY 2017, there is a forecast showing a net decrease in operating expenses (not including employee benefits, cash capital or debt service) of (\$323,995) a (-1.76%) decrease over FY16. Although school operating decreased overall ((\$511,382) or -6.04%), this was due mainly to a significant decrease in transportation, tuition and inclusion expenses related to Special Education. It should be noted, however, that the school operations portion of the school operating expenses had a significant increase (\$101,301 or 16.67%).

There are several collective bargaining agreements currently in negotiation and estimated increases are included in the budget numbers.

BUDGET PROCESS AND GUIDELINES

The annual budget process began at the 2015 Annual Town Meeting with the presentation of the TWFP. At that time, the Plan projected deficits of \$2.8 million in FY16, \$3.1 million in FY17, and \$4.0 million in FY18, suggesting that an override to Proposition 2 ½ in FY17 might be necessary to offset these deficits. These projections left a \$2.8 million deficit to be closed by an override of Proposition 2½ or by departmental reductions.

However, an improved Free Cash position, largely as a result of increased turn-back from various departments and more favorable than expected health care costs allowed the BOS to project funding the FY17 budget without an override.

Budget Guidelines

The revised budget outlook in September 2015 and the inclusion of funding from Free Cash provided the basis for the FY17 budget guidelines issued by the BOS:

- School Department – 4%;
- Other Town Departments – 2.5%;
- Approximately \$2.5 million Free Cash used to balance the budget

Because the budget appropriations in Article 8, Motion 2 do not include the increases for the Series 50/60 employees from the Merit Pay Pool (appropriated in Article 5, Motion 3), it can be difficult to fully appreciate the department budget variances with respect to the guidelines; removing the salary increases for these employees makes all department budgets (except the schools, which include their management raises directly in Article 8) appear artificially low. The chart below includes the 2.5% average Merit Pay Pool raise for the Series 50 and 60 employees within each department's budgets to be able to directly evaluate increases with respect to the budget guidelines.

The School Department operating budget is over guidelines by \$167,901 or 0.25% while all other town departments combined are within guidelines.

Total FY17 Operating Costs by Department					
Department	FY16 Appropriation	FY17 Request (includes 2.5% for Series 50/60)	FY16-FY17 Change	\$ Over/Under Guideline*	
Advisory Committee	\$28,000	\$32,319	15.43%	\$3,619	
Audit Committee	56,250	58,200	3.47%	544	
Board of Assessors	347,960	348,301	0.10%	-8,358	
Board of Health	469,563	489,922	4.34%	8,620	
Building Department	476,318	506,701	6.38%	18,475	
Celebrations Committee	4,700	4,700	0.00%	-118	
Central Administrative Services	28,500	28,500	0.00%	-712	
Council on Aging	472,654	496,462	5.04%	11,992	
Executive Director's Office	459,692	468,767	1.97%	-2,417	
Facilities Maintenance	6,901,668	7,074,149	2.50%	-61	
Fair Housing Committee	200	200	0.00%	-5	
Finance Department	413,250	426,481	3.20%	2,900	
Fire Department	5,050,735	5,176,432	2.49%	-571	
Historical Commission	750	750	0.00%	-19	
Historical District Commission	250	250	0.00%	-6	
Housing Development Corporation	6,000	6,000	0.00%	-150	
Human Resources Board	321,101	327,019	1.84%	-2,110	
Information Technology	726,746	738,948	1.68%	-5,967	
Law	300,000	325,000	8.33%	17,500	
Library Trustees	2,308,104	2,334,356	1.14%	-31,451	
Memorial Day	2,500	2,500	0.00%	-63	
Mental Health Services	255,691	255,691	0.00%	-6,392	
Morses Pond	149,394	139,394	-6.69%	-13,735	
Natural Resources Commission	223,801	222,492	-0.58%	-6,904	
Permanent Building Committee	133,304	226,830	70.16%	90,193	
Planning Board	279,828	286,570	2.41%	-254	
Police Department	5,725,460	5,828,828	1.81%	-39,768	
Public Works	6,857,383	7,008,186	2.20%	-20,632	
Recreation Commission	340,237	350,129	2.91%	1,386	
Reserve Fund	175,000	175,000	0.00%	-4,375	
Risk Management	483,300	521,651	7.94%	26,269	
Sealer of Weights & Measures	18,520	18,520	0.00%	-463	
Special School Police	106,067	107,701	1.54%	-1,018	
Street Lighting	241,230	246,876	2.34%	-385	
Sustainable Energy	15,033	20,000	33.04%	4,591	
Town Clerk	286,992	322,131	12.24%	27,964	
Town Report	4,000	4,000	0.00%	-100	
Treasurer & Collector	401,198	407,680	1.62%	-3,548	
Veterans' Services	107,235	71,559	-33.27%	-38,357	
Wellesley Public Schools	66,689,159	69,524,634	4.25%	167,909	
Youth Commission	96,878	98,300	1.47%	-1,000	
Zoning Board of Appeals	59,182	60,488	2.21%	-174	

* All guidelines are set at 2.5% except for the School Department, which is set at 4%

Reserve Policy and Use of Free Cash

The Town has worked to maintain an appropriate level of reserves, as sufficient reserves play a key role in the Town's maintenance of a high credit rating and provide financial flexibility. The primary reserves are Free Cash and the Stabilization Fund; the level of Total Reserves is measured as a percentage of current net revenue. At the end of FY15, funds were returned to the General Fund from FY15 appropriations ("turn-back") totaling \$1,692,206 or 1.2% of current net revenue. This turn-back increased the Town's reserves to a total of \$12,002,351 (\$8,831,500 in Free Cash and \$3,170,851 in the Stabilization Fund), for a reserve level of 8.61%. Over the past seven years, the Town has fluctuated from a reserve level of 8.61% to 11.40%.

Town of Wellesley Reserves					
Fiscal Year	Prior year Free Cash	Prior Year General purpose Stabilization	Total Reserves	Current Net Revenue*	General Reserves % of Revenue
2016	\$8,831,500	\$3,170,851	\$12,002,351	\$139,358,469	8.61%
2015	10,336,925	3,134,152	13,471,077	131,460,102	10.20%
2014	10,950,782	3,094,076	14,044,858	123,796,817	11.30%
2013	10,499,623	3,071,289	13,570,912	119,305,603	11.40%
2012	8,439,070	3,045,628	11,484,698	113,863,387	10.10%
2011	9,471,751	3,022,256	12,494,007	111,600,676	11.20%
2010	9,145,674	2,786,551	11,932,225	107,858,951	11.10%

*Does not include excluded debt, CPC or Traffic Revenue or retained earnings from the Enterprise funds.

The use of stabilization funds requires approval by two-thirds of Town Meeting while Free Cash can be appropriated by a simple majority vote. Generally, it is prudent to use excess Free Cash as a non-recurring revenue source to fund one-time expenditures, a capital need, or to replenish other reserves, though many municipalities routinely use excess Free Cash to fund operating budgets. In December 2012, the BOS adopted a Financial Reserves Policy with the following provisions:

1. Reserves will be maintained in a range of 8 to 12% of Current Net Revenue;
2. Reserves in excess of 12% may be used in accordance with the TWFP and be appropriated by Town Meeting;
3. Reserves may be drawn below 8% for one-time, non-recurring extraordinary expenditures.

The use of \$2.625 million of Free Cash to balance the FY16 budget was consistent with the reserve policy, maintaining reserves at approximately 8.6% of current net revenue. As of this writing, the Board of Selectmen anticipates using \$2,498,871 in free cash to balance the FY17 budget. The estimated reserve level on 6/30/16 is anticipated to be \$11,779,001 or 8.63% of FY16 revenue. For comparison, \$2,625,000 of Free Cash was used to balance the FY16 budget.

GENERAL GOVERNMENT

NOTE: As is usual practice, these budgets (with the exception of the School budget) do not include raises for the Series 50/60 employees. These increases are appropriated as part of the Merit Pay Pool in Article 5, Motion 3 instead. In the remainder of Article 8, increases will be specified without the Merit Pay Pool increases unless specifically noted.

General Government includes those Departments and Boards under the Supervision of the BOS (see next page for the comparison between FY16 and FY17 operating budgets).

BOARD OF SELECTMEN – ADMINISTRATION

Executive Director’s Office – 5.0 FTE

This budget funds the work of the Office of the Executive Director of General Government Services. The Executive Director serves as the senior executive for the Board of Selectmen. The Board of Selectmen has authority to appoint department heads to various Town offices, to

issue permits and licenses and to administer and coordinate all Town-wide matters not specifically assigned by statute to other boards or offices.

Sustainable Energy – 0.5 FTE

The Sustainable Energy Committee (SEC) is charged with implementing Town-wide policies and initiatives regarding energy conservation and efficiency and the support of renewable energy. The current goal, established by the 2014 ATM, is to reduce greenhouse gas emissions 25% below 2007 levels by 2020. Through 2015, the SEC estimates that emissions have declined 10.6%. In 2015 the SEC focused on the carbon footprint implications of food grown but not eaten and the disposal of pre- and post-consumer food waste. Activities initiated by the Town’s 3R (Reduce, Reuse, Recycle) Working Group, formed by the SEC, DPW and NRC, include a pilot food recovery project at an elementary school, a partnership with Olin College to explore anaerobic digestion, and educational events including “Good Enough to Eat”, “Garbology 101”, and a tour of the digester at Deer Island. SEC members also participated in an initiative of the MLP to develop the legal framework for solar installations at Babson and Wellesley colleges and other non-profits. The SEC Report on page 171 provides more information on the activities of the SEC and the trend in Town-wide carbon emissions. The budget request this year increases the SEC allocation by \$4,967, from \$15,033 in FY16 to \$20,000 in FY17. The SEC is adding a half-time, no benefits administrator position, funded equally by the SEC and the MLP. Major responsibilities of the administrator will be to identify opportunities to reduce carbon emissions to achieve the 2020 goal adopted by Town Meeting in 2014, initiate and lead collaborative efforts to exploit these opportunities, prepare the annual estimate of carbon emissions required in the SEC bylaw and collect and analyze data on the success of SEC projects.

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
BOS - Administration					
Executive Director’s Office	\$419,682	\$434,404	\$459,692	\$468,767	1.97%
Sustainable Energy	3,159	850	15,033	20,000	33.04%
Central Administrative Services	38,227	38,166	28,500	28,500	0.00%
Finance Department	356,054	385,372	413,250	426,481	3.20%
Information Technology	691,468	704,948	726,746	738,948	1.68%
Treasurer & Collector	366,713	377,971	401,198	407,680	1.62%
Town Report	3,255	3,477	4,000	4,000	0.00%
BOS – Human Services					
Council on Aging	343,755	347,359	472,654	496,462	5.04%
Fair Housing Committee	0	0	200	200	0.00%
West Suburban Veterans’ District	107,261	104,875	107,235	71,559	-33.27%
Youth Commission	91,607	92,341	96,878	98,300	1.47%
BOS – Maintenance Services					
Facilities Maintenance	6,121,035	6,291,198	6,901,668	7,074,149	2.50%
DPW Custodians	274,855	305,180	285,772	287,201	0.50%
BOS - Other Services					
Housing Development Corp	1,691	6,000	6,000	6,000	0.00%
Historical Commission	436	550	750	750	0.00%
Historical District Commission	113	226	250	250	0.00%
Memorial Day	1,912	1,149	2,500	2,500	0.00%
Celebrations Committee	4,700	4,700	4,700	4,700	0.00%
Zoning Board of Appeals	55,210	56,362	59,182	60,488	2.21%
BOS - Shared Services					
Law	325,000	350,000	300,000	325,000	8.33%
Audit Committee	56,250	56,250	56,250	58,200	3.47%
Risk Management (Including Police & Fire)	378,245	334,672	483,300	521,651	7.94%
Street Lighting	219,649	227,000	241,230	246,876	2.34%
TOTAL General Government	\$9,860,277	\$10,123,050	\$11,066,988	\$11,348,662	4.07%

Central Administrative Services

This budget includes the centralized services necessary to meet the needs of departments housed at Town Hall, specifically copier and office supplies. This budget also funds service contracts on the Town Hall copiers, telephone systems, and some on-line hosted software.

Financial Services – 5.4 FTE

Financial Services administers the Town-wide financial reporting and general ledger system, all disbursements (including accounts payable, payroll), fixed assets, insurance, the annual audit and the annual capital and operating budget submissions. The Department also issues financial statements, completes various State and Federal reporting requirements and manages the Town's integrated financial software package (MUNIS) The Finance Director is member of the Wellesley Contributory Retirement Board.

Information Technology – 8.0 FTE

The Information Technology (IT) Department enables other municipal departments to deliver high-quality, efficient and effective services to their customers by providing a range of centralized IT services. The IT Department oversees all information technology policies, standards and architecture, and promotes cross-department collaboration and adoption of shared services. More specifically it is responsible for maintaining a secure, reliable, high-speed campus network with internet connectivity for all staffed buildings; supporting servers, PCs, printers, other peripherals, and core business applications like email, word processing, and presentation software; administering the Town's integrated financial software suite (MUNIS), including processing of all billing and payroll throughout the year; and planning, implementing, and managing all Town Geographic Information Systems (GIS) technologies.

Treasurer and Collector – 4.0 FTE

The office of the Treasurer and Collector is responsible for Town-wide cash management including collecting taxes; investing all available cash (excluding retirement funds); disbursing all Town funds requested by Financial Services via accounts payable and payroll; and administering all Town trust funds. The office also is responsible for debt management and for assisting in the administration of other Town-wide programs, such as group health insurance, life insurance, and self-insured workers' compensation. The Treasurer is currently also the chair of the West Suburban Healthcare board of directors, the consortium through which the Town purchases health insurance.

Town Report

This budget covers the cost of printing the Town's Annual Report at the end of each fiscal year.

BOARD OF SELECTMEN – HUMAN SERVICES

Council on Aging – 7.8 FTE

The Council on Aging (COA) provides outreach, assessment, newsletters, volunteer opportunities, subsidized and free transportation, and a variety of social, educational and recreational activities for Wellesley seniors. In addition, the COA offers information and referrals related to housing, transportation, medical services, insurance, benefit programs, home care services, long-term care, and other related issues.

The COA's priorities for FY 17 aim to enhance the programs and services that the COA provides, primarily in the following areas:

- Optimized bus utilization, better transportation services integration and a possible service expansion.
- Increase enrollment by sustaining the gains and managing the challenges produced by space and space use limitations. The focus will be to attract non-participating seniors.
- Enhance communications with constituents by improving and expanding our means to reach a larger base, particularly as many more now use electronic media.
- Subject to Tolles-Parsons Center approval, significant staff and board time will be devoted to project implementation.
- Better utilization of data to improve decision-making.

Despite these challenging and ambitious goals, the COA budget increase of \$11,809 is in agreement with the 2.5% Town budget guideline, before adding the increased rental costs the landlord is requesting and that the COA has no control over. The \$12,000, or over 10% increase in rental charges to Wellesley Community Center (WCC) represents another 2.54%, for a total town impact increase of 5.04%. Rental plus facility custodial services costs paid to WCC have increased from \$15,600 in FY10 to \$128,953 in the FY17 budget.

The \$11,809 increase comes from \$12,485 in personal services and a reduction of \$676 in operating expenses; \$6,949 of the personal services increase is the result of the Town's FTE salary raises policy (59% of the total budget increase) and \$5,536 is due to COA initiated actions. The latter are a) \$2,161 for an hourly rate increase for a PTE, and b) \$3,375 for four additional bus service hours. The operating expenses \$676 decrease arises primarily from experiencing lower bus-related costs.

The Town's total tax impact is reduced through grants and bus fares amounting to \$56,432. Other factors that lower the total tax impact are: a) Clients' paid participation fees; b) subsidies and gifts from the Friends of the Wellesley Council on Aging; and c) the work of the COA's 225+ volunteers whose 6,736 hours in FY15 is valued at over \$155,000 (source: IndependentSector.org).

West Suburban Veterans' District (WSVD) – 2.6 FTE

Wellesley participates in an inter-municipal agreement with the Towns of Wayland, Needham and Weston to provide Veterans' services. The Veterans' agent and his full-time assistant are employees of the WSVD, although they are paid and receive benefits through the Town of Wellesley. Salary, employee benefits and other administrative costs are billed to the member Towns on a prorated basis, based on population. Each Town is charged directly for benefits provided to its veterans and receives partial reimbursement from the Commonwealth. The member Towns pay an assessment to the Town of Wellesley for accounting and treasury services, and these assessments are reflected in the Finance and Treasurer/Collector's department budgets. The State reimburses the Town for 75% of the cost of the benefits.

Youth Commission – 1.5 FTE

The Wellesley Youth Commission provides programs and services designed to ensure that Wellesley's youth feel they are a valued part of the Wellesley community. By providing a wide variety of community-based events, programs and services, the Youth Commission strives to appeal to and meet the needs of a broad spectrum of middle- and high school-aged youth and their families. Programs and services provided by the Youth Commission are implemented and managed by the Youth Director.

BOARD OF SELECTMEN – FACILITIES MAINTENANCE SERVICES – 66.3 FTE

The Facilities Maintenance Department (FMD) was created by Town Meeting vote in March 2012 and falls under the jurisdiction of the BOS. The FMD is responsible for the operation and maintenance of all schools and most municipal buildings in Town, with the exception of DPW and MLP buildings. The BOS expect to have FMD take over DPW building maintenance and custodial support for eight buildings in July 2016 with details still to be negotiated. The FMD is responsible for custodial service, maintenance, energy, and cash capital projects for its twenty buildings (totaling 1.1 million square feet of floor space) overseen by five professional managers who report to the Facilities Director. The FMD uses a computerized maintenance management system to document and track repairs and preventative maintenance work and processes approximately 1,400 work orders annually. The FMD staff includes both union (custodians in school buildings and main library) and non-union members (managers, central office staff and municipal building custodians and maintenance staff). The Wellesley Free Library Staff Association collective bargaining contract expires June 30, 2016, while the American Federation of State, County and Municipal Employees (AFSCME) contract expires on June 30, 2017.

The FY17 FMD operating budget request is for a total of \$7,114,149, which is an increase of \$212,480 (3.08%). Personal services are up \$146,075 (3.82%), which includes guideline 2.5% increases for the Series 40, 50 and 60 (merit pay) employees. The AFSCME union contract includes no COLA for FY17. The Library Association contract ends in FY16, so there are currently no provisions for FY17, so no increase has been assumed in our budget. In FY17 as part of the assumption of DPW building responsibilities, FMD is requesting the addition of a new 1.0 FTE HVAC Controls Technician, and increasing the 0.5 FTE Department Assistant to full-time, as a 1.0 FTE Office Clerk. The new maintenance position would not be in a union and would be able to work across all 28 buildings. This person would provide valuable services on direct digital controls for the Metasys energy management systems that are used to operate the HVAC systems in FMD buildings. The increased Office Clerk position would help the Financial Assistant and Administrative Assistant process the additional work associated with these 8 new buildings as they relate to administrative, bookkeeping, secretarial, and related work in support of the department. In an effort to minimize the cost increase associated with assuming DPW building responsibilities, the FMD has not requested additional support for the managers. FMD agreed to begin operations in FY17 without any additional support, but to revisit the need for this if necessary. FMD also received approval from the HR Board for a reclassification of the Energy Manager position from Group 58 to Operations Manager in Group 59. The budget cost for the two new positions and reclassification totals to \$94,252, which represents 65% of the total \$146,069 increase for personal services.

The FY17 FMD expenses budget has increased \$26,405 (0.86%) from FY16, largely because the cost of the FMD office lease and equipment/fit-up was greater than expected and an expected increase in water and sewer rates:

- FMD office lease and equipment (\$19,953)
- 4% water increase (\$2,840)
- 3% sewerage increase (\$3,612)

BOARD OF SELECTMEN – OTHER SERVICES

Housing Development Corporation, Historical Commission, Historical District Commission, Memorial Day Service, Celebrations Committee

There is no change in the budgets for any of these groups in FY17.

Zoning Board of Appeals – 1.0 FTE

The Zoning Board of Appeals (ZBA) hears and decides appeals and petitions for variances, special permits, findings, site plan approvals and comprehensive permits pursuant to the provisions of and in compliance with the Zoning Bylaw of the Town and the Zoning Act (Massachusetts General Law Chapter 40A and 40B). The ZBA provides the public with information and responses to zoning questions and with assistance in the petitioning process.

BOARD OF SELECTMEN – SHARED SERVICES

Law

This budget funds legal services for Town boards and departments, including Town Counsel and outside counsel. It also includes recording fees, transcript fees, copying charges and expert witness fees. The budget does not include funding for services related to activities of the Enterprise Funds, which pay for their own legal services. It also does not include the recent legal costs associated with the Town Government Study Committee.

The \$25,000 increase (8%) from FY16 to FY17 is required to bring the 2017 request in line with 2015 actual expenditures.

Audit Committee

The Audit Committee is responsible for the annual examination of the Town's consolidated financial statements in accordance with generally accepted auditing standards.

Risk Management

This budget provides for the premium costs for general liability, automobile, property insurance, and public official liability insurance for all Town operations, as well as funds for occupational health services. Injured-on-Duty Insurance coverage for Police and Fire Department officers is also included. Please see more about Risk Management in Article 10 which requests Town Meeting approval to appropriate additional funds to the special purpose municipal fund for Town personnel who are injured on duty.

Street Lighting

Funding of this program provides for the maintenance of a reliable electric street lighting system, providing for convenience, safety and security. The MLP provides the street lighting service. The budget increase of 2.34% is below guideline for FY17.

OTHER GENERAL GOVERNMENT

Other General Government includes those boards, committees or officials that are either elected, have shared reporting to the Selectmen and another board or committee, or are appointed by the Town Moderator.

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Town Clerk/Election & Registration	\$243,859	\$281,266	\$286,992	\$322,131	12.24%
Board of Assessors	302,531	323,867	347,960	348,301	0.10%
Planning Board	240,784	231,076	279,828	286,570	2.41%
Advisory Committee	25,382	23,897	28,000	32,319	15.43%
Advisory Reserve Fund	175,000	175,000	175,000	175,000	0.00%
Permanent Building Committee	29,184	124,728	133,304	226,830	70.16%
Human Resources Board	286,206	276,520	321,101	327,019	1.84%
TOTAL Other General Government	\$1,302,946	\$1,436,354	\$1,572,185	\$1,718,170	9.29%

Town Clerk – 3.6 FTE

The Town Clerk's office conducts all Federal, State and local elections in Town and maintains a current voting list. The budget does not include funds for unscheduled elections (approximately \$20,000 per election, normally funded by a transfer from the Advisory Reserve Fund), such as those for overrides or debt exclusions. During an election, the Town Clerk's office engages approximately 90 per diem tellers and other voting place personnel as required by State law. Pay for all temporary workers varies from year to year depending on the number of regularly scheduled elections. The FY17 operating budget is \$35,138 (12.24%) higher than FY16, largely because there are three elections (State Primary September, November State Election and Annual Town) scheduled in FY17 whereas FY16 required two elections. The new state election laws will require municipalities to offer 10 days of early voting prior to the November 2016 Presidential election. This will require an investment in staffing that is not yet fully known. The Town Clerk has proposed to offer voting at the Warren Building for that period and to include evenings and one Saturday. Funding for this program is estimated at \$9,250 and is included in the FY17 budget request. (If a less costly program is ultimately developed the excess funding will not be spent for any other purpose.)

The Town Clerk also maintains vital records (e.g., births, deaths, and marriages), the Town's Bylaws and other Town records required under the laws of the Commonwealth, and issues various licenses, certifications, permits and reports. The office generates approximately \$75,000 per year in revenue from fees for processing items such as dog licenses, vital records certificates and passport applications. This revenue is reported as Local Revenue in the General Fund.

Board of Assessors – 4.3 FTE

The Board of Assessors is part of Town government but is regulated by the Massachusetts Department of Revenue. The Board is required to value all real and personal property fairly and accurately each year; establish and maintain an accurate database of specific property characteristics and valuations for internal and public use; assess and apportion Town taxes and certain State and county taxes; prepare, process and issue motor vehicle excise tax bills; and act upon applications for tax abatements and exemptions, which may include appearing before the State Appellate Tax Board. Every third year, the Commonwealth's Commissioner of Revenue performs a "recertification," or comprehensive audit of local assessed values to certify they represent the full and fair cash value of all property, ensuring that every Wellesley property owner contributes equitably to Town's property taxes. The Assessors' budget has declined 0.1% in FY17.

Planning Board – 3.6 FTE

The Planning Board and Department help the Town balance existing development patterns, redevelopment, and new growth by implementing the Comprehensive Plan and administering certain land use regulations, such as zoning and subdivision controls. Additionally, to achieve identified goals and support the Comprehensive Plan, the Board and Department conducts studies of specific areas, resources and/or regulations, considers necessary changes in land use policies, and pursues amendments to applicable regulations and procedures. Specific duties include, but are not limited to, subdivision control, review and recommendation of changes to the Zoning Bylaw and Zoning Map, coordination of activities with the Design Review Board, determination of the adequacy of unaccepted ways, protection of the Town's scenic roads, issuance of Special Permits (including those for Projects of Significant Impact), and the administration of projects involving Large House Review (LHR), signage, the Historic District, and the Denton Road Neighborhood Conservation District.

The Planning Board's major projects for FY17 include initiating the update of the Town's Comprehensive Plan as part of the development of a town-wide Unified Plan, working to implement the to-be-completed Route 9 Enhancement Study & Plan, continuing re-codification of the Zoning Bylaw, updating and correcting discrepancies on the Town's Zoning Map, developing design guidelines for use by the Design Review Board and Historic District Commission, and studying the effectiveness of regulations that are intended to protect the character of the Town's residential neighborhoods.

The Planning Board has identified four projects on the Capital Budget for FY17; however, only two projects currently require cash capital funds. These Capital Budget projects are as follows:

2017-1 - Unified Plan (Comprehensive & Strategic Plan): The total budget for this project is \$150,000. \$30,000 was appropriated in FY16. The CPC has approved \$60,000 in CPA funds in FY17. The remaining \$60,000 is being requested in the FY17 Capital Budget.

2017-2 - Historic District Design Guidelines: The total budget for this project is \$20,000; however, the CPC has approved the appropriation of the total amount in FY17. There is no cash capital requested for this project in the FY17 Capital Budget.

2017-3 - Wellesley Square Wayfinding & Branding Project: The total budget for this project is \$10,000. The Planning Department is currently pursuing a technical assistance grant for this project; therefore, at present, there is no cash capital requested for this project in the FY17 Capital Budget.

2017-4 - Design Review Board Design Guidelines: The total budget for this project is \$20,000, which is being requested in the FY17 Capital Budget.

Advisory Committee

The Advisory Committee consists of 15 residents appointed by the Moderator for three-year terms. Its statutory responsibilities include studying and deliberating on all Town Meeting articles and then making recommendations to the Town Meeting through both written reports and oral summations. The Advisory Committee's responsibilities also include making recommendations to Town boards and committees with respect to balancing the Town budget and acting on all requests for transfers from the Reserve Fund. The budget funds the production and distribution of the Committee's reports and a part-time, no benefits Administrative Assistant. The Advisory budget has a 15.43% increase (\$3,619) in FY17, largely because of the assistant providing additional support on book production previously done by a highly skilled volunteer member whose term expired.

Advisory Committee – Reserve Fund

The Reserve Fund of \$175,000 provides funding for expenses that are extraordinary or unforeseen at the time Annual Town Meeting appropriates the budget for that fiscal year. Use of the Reserve Fund reduces the need to defer critical expenses and/or to call Special Town Meetings to deal with events with limited expense impact. Transfers from the Reserve Fund are made under motions passed by one of the Town boards and approved by the Advisory Committee. This year the reserve fund was depleted by \$118,880 for emergency rebuilding of the DPW salt shed. This sum will be allocated from free cash to replenish the Advisory Reserve Fund.

Permanent Building Committee – 1.0 FTE

The Permanent Building Committee (PBC) oversees all construction projects that exceed \$100,000 in cost. The PBC does not initiate projects, but provides design, financial and

construction management services to Town boards, including the hiring of consultants, architects, and project managers. The PBC presents a description of the project from a construction perspective and gives an opinion to the proposing board and/or Town Meeting as to whether the funds being requested are reasonable with respect to the financial requirements of the project. Part of the design phase may include preparation of materials and presentation of the project to Town permitting boards (Design Review Board, Zoning Board of Appeals (ZBA), Planning Board (for Projects of Significant Impact), Wetlands Protection Committee, Wellesley Historic Commission, etc. The PBC approves the final plans and specifications for any project, and oversees the bid phase under public bidding laws. PBC is seeking a substantial percentage increase in the personal services component of its operating budget for the following reasons. First, due to a likely retirement, the PBC's FY17 personal budget request includes an additional \$13,440 to account for staff overlap necessary for training new personnel. PBC is also seeking \$61,560 to use for consulting services on an as-needed basis. The PBC's experience is that specific expertise (e.g., architecture) is needed only at certain points in the PBC design and review process. This resource will enable PBC to engage professionals on an on-call basis, thereby best ensuring thorough due diligence on Town construction projects while sparing the Town the need to hire employees for these limited purposes.

Human Resources Board and Department – 4.0 FTE

The Human Resources Board and Human Resources Department serve all Town employees, except School personnel, in the areas of recruitment, administration of job classifications and salary plans, administration of union contracts, oversight of personnel policies and procedures, training, affirmative action, employee performance evaluations, and compliance with laws pertaining to employment. In addition, the Department administers the insurance plans for all Town employees including School personnel and retirees, and promotes employee health and wellness. For details on the request for HR Salary Adjustments, please see Articles 4 and 5 on pages 28-30.

PUBLIC SAFETY – BOARD OF SELECTMEN

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Police Department	\$5,419,212	\$5,496,953	\$5,725,460	\$5,828,828	1.81%
Special School Police	68,272	68,415	106,067	107,701	1.54%
Fire Department	4,737,166	4,890,841	5,050,735	5,176,432	2.49%
Building Department	442,784	446,520	476,318	506,701	6.38%
Sealer of Weights and Measures	9,637	11,409	18,520	18,520	0.00%
TOTAL Public Safety	\$10,677,071	\$10,914,138	\$11,377,100	\$11,638,182	2.29%

Note: Utilities for these departments are included under FMD Maintenance Services.

Police Department – 59.0 FTE

The FY17 budget for the Police Department funds 44 sworn personnel, including the Chief, Deputy Chief, three Lieutenants, six Sergeants and 33 Police Officers. The operating budget also funds 10 civilian dispatchers, a civilian IT programmer/analyst, an animal control officer, and three clerical employees. The FY17 budget includes a new civilian position created to support the department's internal computer network system, Computer Assisted Dispatch System, Records Management System, State 9-1-1, Telephone Systems, Traffic Camera Data Management, Various Interfaces with State and Federal Law Enforcement. The Police Superior Officers' (Lieutenants and Sergeants) and the Patrolmen's contract bargaining agreements expire on June 30, 2016 and the Dispatchers' agreement expires June 30, 2017. Personal services for the FY17 Police Department are up \$87,388 (1.72%) to \$5,181,695 and the FY17

expenses have increased by \$12,911 (2.02%) to \$643,925 (specifically equipment and maintenance contracts, vehicle replacement, telephone/electronic systems, training, office, medical and general supplies and development costs. Reductions were realized in gasoline and diesel). The Police Department anticipates approximately \$219,643 in receipts from fines and permit fees in FY17.

Special School Police – 18.0 FTE

The school crossing guards provide safe passage for school children at 22 busy intersections and thoroughfares. The FY17 budget provides funds for 17 school crossing guards (some working more than one crossing guard post each morning) and one substitute guard, all of whom are part-time employees. These positions can be difficult to fill and currently six positions remain open; police officers are assigned to cover unfilled posts.

Fire Department – 57.0 FTE

The Wellesley Fire Rescue Department is charged with the responsibility of protecting the lives and property of the citizens of Wellesley. The Fire Rescue Department has 57 full-time employees in the following positions: Fire Chief, Assistant Fire Chief, Deputy Chief Fire Inspector, four Deputy Chiefs, 12 Lieutenants, 36 Firefighters, Administrative Assistant and Mechanic. Additionally, the Fire Rescue Department supervises the AMR Paramedics under contract with the Town. The department operates out of two stations, one at Central Street and Weston Road (Station # 1) and one on Worcester Street in Wellesley Hills (Station # 2). Front line apparatus consists of two pumping engines, one Quint combination pump/ladder, and one tower ladder unit; a Special Operations/Emergency Response Vehicle; and boats and specialized equipment for water and ice rescues operations. Firefighters are trained in multiple disciplines such as fire suppression, medical training, rescue operations, hazardous materials, fire prevention, and disaster response planning. The Fire Department anticipates approximately \$78,000 in receipts from permits and master box alarm fees in FY17. The collective bargaining agreement with the Firefighters Union (Firefighters, Lieutenants and Deputies) is currently effective until June 30, 2017.

Building Department – 7.5 FTE

The Building Department is charged with enforcing all provisions of appropriate codes, State statues, rules, regulations, ordinances and bylaws. Specifically, the Building Department enforces State building, electrical, and uniform plumbing and fuel gas codes; the Town's Zoning Bylaw; and the Massachusetts Architectural Access Board (MAAB) codes by conducting mandated field inspections for all work authorized under any required permit. Revenues from building permits and related charges are a source of funds for the Town.

Sealer of Weights and Measures – 0.4 FTE

The Sealer of Weights and Measures, certified by the Division of Standards, provides consumer protection when the price of goods is determined by weight or by linear and/or liquid measure. Activities include regular inspection of supermarket and shop scales, unit pricing labels, service station pumps, fuel oil truck meters, pharmacies and random inspections.

BOARD OF PUBLIC WORKS – 98.05 FTE

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Engineering	\$544,254	\$568,174	\$586,285	\$578,764	-1.28%
Highway	1,539,111	1,577,322	1,600,447	1,600,090	-0.02%
Fleet Maintenance	190,023	193,674	196,418	199,567	1.60%
Park & Tree	1,299,123	1,361,873	1,435,289	1,455,526	1.41%
Recycling & Disposal*	2,048,498	2,176,825	2,281,983	2,383,609	4.45%
Management	384,868	415,517	408,258	410,365	0.52%
Winter Maintenance	998,953	1,373,647	348,703	348,703	0.00%
TOTAL Board of Public Works	\$7,004,830	\$7,667,032	\$6,857,383	\$6,976,624	1.74%

**Includes RDF Business Initiatives and the Baler, Compactors and other RDF Equipment Stabilization Fund*

The Board of Public Works (BPW) is responsible for overseeing the delivery of essential public works, water and sewer utilities, and other services provided to the Town by the Department of Public Works (DPW). Funding for these services includes both tax revenues and customer payments. Town tax revenues fund the DPW Engineering, Park and Highway, Recycling and Disposal and Management Services Divisions. DPW services financed by tax revenues are often referred to as the DPW “tax-impact programs.” Rate-paying customers fund the services provided by the DPW Water and Sewer Divisions, which do not affect the Town’s tax rate. Budgets for these programs, referred to as “Enterprise Fund programs,” are presented in Articles 14 and 15, and have been included in the Consent Agenda (see Article 3 on page 27) at this ATM.

The Park and Highway Division maintains Town roadways, sidewalks, curbs, and street name signs. It also maintains catch basins, culverts, storm drains, Town parks and playgrounds, public shade trees, brooks and streams. The Recycling and Disposal Facility (RDF) is responsible for disposing of solid waste and recyclable materials and is the Town’s most widely used facility, with over 350,000 annual vehicle trips to the facility. The Engineering Division designs and provides project management services for all DPW projects. The Division also reviews private plans for conformance to Town standards for the Planning Board, Zoning Board of Appeals, and other Town departments. Other responsibilities include implementation of the storm water management plan and maintenance of Town plans and files related to deeds, easements, and construction.

The Board of Public Works is requesting an appropriation of \$6,976,624 from Town funds to pay operating expenditures in FY17. This request represents an increase of \$146,038, or 2.1%, over the FY16 budget. A portion of this appropriation, \$132,033, supports the RDF Business Initiatives program, which is reviewed in more detail below.

The FY17 operating budget is projected to have an additional \$79,788 in personal services costs (1.9% increase) over FY16, which reflects the 2.5% increase for Group 40 personnel, a 0% average increase for Series 50/60 employees (their \$31,562 increase is appropriated in the Merit Pay Pool in Article 5, Motion 3), and \$38,700 to open the RDF for an additional 33 Sundays from 11am to 3pm during the non-winter months. This request also includes a 2.25% increase for the Production Unit and a 2.0% increase for Supervisory Unit union personnel based on contracts that have been settled through FY17. The FY17 budget is also projected to have an additional \$66,250 in expenses (3.0% increase) over FY16, as a result of contractual rate increases for trash, higher commercial trash disposal costs from commercial accounts (from which the town will collect revenues exceeding those costs), athletic fields irrigation costs, and tree removal services.

The Winter Maintenance budget is level funded for FY17; at the time this book went to press, the DPW had requested one supplemental appropriation from the BOS and Advisory Committee of \$250,000 (see Article 7, Motion 1 on page 34). The initial FY17 budget of \$348,703 is significantly below the five-year average of actual snow removal costs of \$844,518 and below actual snow removal costs in three of the last four years. Budgeting below the average cost of winter maintenance has been the Town's customary practice. If actual costs are greater than the budgeted amount, as was the case in every year from FY04-FY16 with the exception of FY12, the Town has the option, under Massachusetts law, of funding the overrun through a supplemental appropriation from Free Cash or of rolling the cost forward into the next fiscal year. (The latter option exists only if current funding is higher than or equal to funding in the prior year, and the Town's typical practice is to exercise the former option.) In light of this flexibility, which is not available for other expenditures, it has been the Town's position, supported by Advisory, to budget snow removal costs at a level below the average cost of snow removal.

The DPW projects FY17 RDF revenues of \$524,033, which are a component of Local Revenue. The revenue from the sale of metal will be used as the source of funds for the Baler, Compactors and Equipment Major Repair revolving fund established at this Town Meeting. The revenue from the sale of metal is projected to net approximately \$20,000 in FY17. The balance of the RDF revenues is returned to the Town and is not reflected in the DPW budget. The DPW budget also includes the projected cost of RDF business opportunities of \$132,033, a 0% increase from last year. Revenue from these business opportunities is projected to be at least equal the \$132,033 cost. In every year since its inception in FY07, this program has generated net revenue for the Town. Since FY07, the total net revenue from the RDF Business Initiatives through the end of FY15 is \$819,158.

Budget Risks

Under some circumstances, the DPW may deploy personnel for DPW capital projects or Town programs funded through other budgets. For FY17, the budget assumes that approximately \$940,000 in DPW personal services costs will be funded through other budgets. In some cases, the occurrence and timing of such work are controlled by other departments and, accordingly, the DPW might not be able to recover all of these projected costs in FY17.

FY17 DPW Program Budget

Consistent with recent budget reporting practice, the DPW FY17 budget motion provides for an appropriation for Personal Services and an appropriation for Expenses, with recommended specific personal services and expense allocations made to each of the DPW programs. Appropriating aggregate funds for Personal Services and for Expenses with only a recommendation for the allocations allows the Board of Public Works the ability, if necessary and after voted approval by the Board, to transfer funds between the program allocations. As in the past, unused appropriations at year-end will go into the Town's General Fund account. Funding for any deficiencies must be obtained from the Reserve Fund or approved by Town Meeting

BOARD OF LIBRARY TRUSTEES

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Personal Services	\$1,580,981	\$1,711,558	\$1,799,613	\$1,806,708	0.39%
Expenses	567,655	499,222	508,491	520,060	2.28%
TOTAL Library Trustees	\$2,148,636	\$2,210,780	\$2,308,104	\$2,326,768	0.81%

The Board of Library Trustees is responsible for overseeing the management of the Wellesley Free Library (WFL), which includes the Main Library at 530 Washington Street and two branch libraries. The mission of the WFL is to serve as a community-gathering place, a cultural destination and a gateway to ideas for residents of all ages and interests. Through books, media, technology and innovative programming, the Wellesley Free Library provides free and convenient access to information both within and beyond its walls. In the past ten years, use of the WFL website has increased dramatically to almost 732,000 visits a year, a single database has given rise to 100 databases, and books are now available in more than four formats, including e-books and audio books. Online book renewal and self-checkout are also increasingly popular.

The tax-impact WFL budget provides funding for all core services, primarily focused on staffing, collection and technology and typically accounts for 80% of the WFL annual operating budget. Enhancements in terms of educational and cultural programming/events, collection enhancements and specialty collection items, annual operating expenses of the two branches, outreach to schools, technology enhancements and innovation initiatives are funded outside of the tax-impact budget, primarily through private supporting organizations. The WFL collects fees for lost and damaged materials and late fines for overdue materials; in FY15, a total of \$128,722 was returned to the Town General Fund: \$88,668 was returned to the General Fund from the collection of late fees and \$40,054 was turned back from the FY15 operating budget to reflect the savings realized as a result of the time gap in the search process to fill open senior positions.

Personal services comprise 78% of the tax-impact budget, 22% is allocated for expenses which include state mandated spending on library materials, technology-related expenses and supplies. The union contract expires in June 2016; negotiations for the new union contract were scheduled to begin in February and were not yet completed when this book went to press. The personal services increases in the proposed budget is budgeted at the FY16 pay scale and reflects only known step increases and longevity for union staff, HR compliant guideline increases for the four non-union administrative and management staff, and a State mandated increase in the minimum wage. There are also shift differentials for working after 5 p.m. and on weekends to reflect current contractual obligations. In the FY17 proposed budget, there are two additional hours of staff time and modest increases in training/education in the administrative budget. Second, the WFL is anticipating a continued reduction in website vendor costs as a result of changes made during the development of the new website that was launched in January; this savings has helped offset the increases in technology service contracts. In summary, the proposed budget is compliant with State guidelines for certification and is well within guidelines set by the Board of Selectmen.

From a capital perspective, the proposed budget for the WFL is \$35,000 lower than anticipated last spring. It maintains a reasonable replacement schedule of computers and peripherals, furnishings repair/replacement, and RFID tags; it includes additional non-ordinary items, most significantly:

- Beginning the replacement of aging self-check machines with current technology that is PCI compliant.
- Purchasing new revenue management/print payment kiosks for patron self-serve print/copy and fee payments.

OTHER COMMISSIONS AND BOARDS

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Recreation Commission	\$312,817	\$314,906	\$340,237	\$350,129	2.91%
Board of Health (BOH)	393,407	408,265	459,563	489,922	6.61%
BOH – Mental Health Services	215,608	215,676	255,691	255,691	0.00%
Natural Resources Commission (NRC)	167,331	210,690	223,801	222,492	-0.58%
Morses Pond Project (NRC/DPW/Rec)	144,914	128,156	149,394	139,394	-6.69%
TOTAL Other Commissions/Boards	\$1,234,077	\$1,277,693	\$1,428,686	\$1,457,628	2.03%

Note: Utilities are included under FMD Maintenance Services.

Recreation Commission – 5.0 FTE

Consistent with its mission to provide recreational and educational opportunities to Wellesley residents in the most cost-effective manner, the five full-time employees of the Recreation Department, headquartered in the Warren Building, conducted approximately 605 recreational programs serving 6,920 participants last year. Programs offered include cooking, summer camps, sports, technology, self-help, arts and crafts. Tennis court and all-purpose field lighting at Hunnewell Field is a Recreation Commission expense. The Summer Concert Series, the Town-Wide Yard Sale, Toys for Tots Kickoff, outdoor movies, the Wellesley Hills Merchants Halloween Parade and outdoor ice skating at Hunnewell Field are just a few of the free events that were facilitated by the Commission.

This year Recreation intends to expand its successful pilot of After School programming, working with principals and PTOs at elementary schools to offer various programs. The pilot at Sprague included Lego Robotics, Coding, Art and Chess. In addition, the Commission operates the Town facilities at Morses Pond where attendance in 2015 numbered 26,231 visitors, an 8% increase over last year. The “Early Bird Super Sale” was highly successful and will be run again this year, with slightly increased pricing.

The Recreation Commission FY17 operating budget includes only tax-impact costs, primarily the salaries for the full-time staff of the Recreation Department. In addition, the Recreation Department has a non-tax impact program budget funded by fees charged to program participants. The competitively priced program fees, deposited into the program revolving fund, are intended to cover the actual costs of the programs and pay the salary of the part-time employees. The program surplus amounts for the past three years were:

FY13 - \$92,204

FY14 - \$65,947

FY15 - \$109,792

The FY16 surplus is estimated to be \$20,000 and will be determined at the end of June. Beach attendance, which can be impacted by weather, is the major factor affecting the amount of the surplus, as well as increase in summer camp scholarships that increased by \$40k.

Board of Health – 5.6 FTE

The elected Board of Health, responding to the Town’s public health needs, provides a wide range of direct services in environmental health, public health nursing, mental health, communicable disease prevention and control, reduction of environmental health hazards (e.g. mosquito and rabies control, lead and asbestos abatement monitoring), employee health/wellness programs, and emergency preparedness. A core function of the Wellesley Health Department (WHD) is the enforcement of federal, state and local sanitary codes covering public water supplies, food establishments, housing, camps, swimming pools, tobacco control,

and medical waste. In FY15, the Health Department collected over \$70,000 in fees and fines, which were returned to the Town's General Fund.

The WHD budget funds 1.5 FTE mental health counselors in the Wellesley Public Schools, and subsidizes the community's mental health services agency, Human Relations Services, which provides affordable, accessible, quality mental health and counseling services to Town residents regardless of their ability to pay.

In addition to the 5.6 full-time employees, the Health Department employs several per diem employees, including an environmental health agent, public health nurses, and community social workers.

The FY17 BOH operating budget is increasing 1.9% and includes a slight increase in hours for the per diem nurses due to the new mandates of the web-based Massachusetts Immunization Record System that requires data inputting by a specially trained Public Health Nurse. It also includes a new line item of \$10,000 to fund the purchase of influenza vaccine, since the Massachusetts Department of Public Health no longer provides free vaccine to local health departments.

The Board of Health is making a capital budget request of \$14,000 to replace the Department's vaccine refrigerator and freezer, which on average store over \$20,000 worth of vaccine. The two units, purchased in 2003, are at the end of their lifecycle and the Massachusetts Department of Public Health Vaccine Management Unit now requires pharmaceutical grade units for primary vaccine storage.

Natural Resources Commission – 3.5 FTE

The Natural Resources Commission manages and creates policies for park and conservation land, funds and approves public shade tree plantings, acquires land and holds conservation restrictions on available properties. The NRC also sets policies for pest control and pesticide use, the protection of the Town's forest, and promotes Town-wide environmental stewardship. Representatives from the NRC serve on the Community Preservation Committee (CPC), Fuller Brook Park Committee, 900 Worcester Street Planning Committee, North 40 Steering Committee, Recycling Working Group and the Playing Fields Task Force. The NRC also appoints the Wetlands Protection Committee and Trails Committee.

The Commissioners' top priorities are those projects that have capital carry-over from previous allocations, including the ongoing Morses Pond Management Plan; review and adoption of new procedures for the Integrated Pest Management Plan for parks, playing fields, and conservation areas; encroachment corrections on NRC land; and parkland paths and sidewalk repairs. The NRC is also in the process of developing a long-term management and maintenance plan for the Town's eight-pond ecosystems not currently being actively managed, funded by Community Preservation Act (CPA) funds. In addition, the CPC has funded \$20,000 for an erosion study of the Morses Pond shoreline, which the NRC will use to develop a restoration plan for areas of concern.

Morses Pond Project

Because the Morses Pond project has sufficient carry-over funds, there is no request for FY17 capital funding to execute the Morses Pond Comprehensive Management Plan. The Morses Pond cash capital principally funds the services of a consulting Pond Manager; the operation of the weed harvester; the operation of the phosphorous inactivation system; and enhanced watershed and low-impact design education programs, including rain gardens. This appropriation does not include expenses for water treatment and related activities carried out by

the NRC, Recreation, and DPW within their own budgets. More than 600,000 pounds of invasive weeds were removed from the pond in 2016, and water quality continues to show improvement with refined treatment practices, including the highest water clarity measured since the plan has been active. The addition of an automated Phosphorus Inactivation unit hopes to further improve the overall water quality in the pond.

**WELLESLEY PUBLIC SCHOOLS
FY17 BUDGET**

	FY16 Appropriation	FY17 Budget Request	FY16-17 % Change
Instruction	\$44,436,599	\$46,912,131	5.57%
Administration	\$ 1,045,220	\$ 1,110,490	6.24%
Operations	\$ 1,559,412	\$ 1,577,821	1.18%
Special Education	\$19,647,928	\$19,924,192	1.41%
Total Personal Services	\$58,244,402	\$61,371,110	5.40%
Total Expenses	\$ 8,464,757	\$ 8,153,524	-3.68%
TOTAL OPERATING BUDGET	\$66,689,159	\$69,524,634	4.25%

In FY16, the Wellesley Public School (WPS) system is comprised of ten school facilities, approximately 750 full-time equivalent employees (FTEs) and 4,923 students. For FY17, the School Committee has approved a School Department request for a total budget appropriation of \$69,524,634, reflecting an increase of \$2,835,484 or 4.25% over the FY16 budget appropriation. Personal services comprise the most significant segment of the budget request at \$61,371,119, or 88.3%, of the projected total School Department spending. An analysis of the personal services portion of the budget and of teacher compensation can be found in Appendix D on page 195. The complete details of the FY17 School Budget Request can be found on the Wellesley Public Schools website, <http://www.wellesley.k12.ma.us>.

	FY16 Appropriation	FY17 Request	FY16-17 % Change
General Education			
Personal Services	\$42,463,141	\$44,445,079	4.67%
Expenses	\$2,988,010	\$3,095,884	3.61%
Total General Operating	\$45,451,151	\$47,540,963	4.60%
Special Education			
In-District	\$14,955,733	\$15,496,140	3.61%
Out-of-District	\$7,311,514	\$7,416,417	1.43%
Circuit Breaker Offset	(\$2,619,319)	(\$2,988,362)	-14.09%
Total Special Education	\$19,647,928	\$19,924,195	1.41%
Total Personal Services	\$58,224,402	\$61,371,110	5.40%
Total Expenses	\$8,464,757	\$8,153,524	-3.68%
TOTAL OPERATING BUDGET	\$66,689,159	\$69,524,634	4.25%

Personal services increases are driven by contractual salary increases, enrollment and the implementation of new programs, such as World Language. Special Education In-District cost increases result from contractual salary increases and mandates as well as additional staffing for the new Therapeutic Learning program, Cornerstones, which will ultimately save in Out-of-District Placements. Out-of-District expense increases arise from tuition increases and the fluctuation in Circuit Breaker reimbursement funds as WPS endeavors to meet the needs of

students who enter the WPS throughout the school year. The Special Education budget is described in more detail in Appendix F on page 202.

FY16 & FY17 ENROLLMENT

Level	FY16 Oct 1 Actual	FY17 Projected	Variance
K-5	2,307	2,271	-36
WMS	1,153	1,155	+2
WHS	1,515	1,497	-18
Total	4,975	4,923	-52

The enrollment numbers directly affect the budget with respect to staffing requirements and other costs. Enrollments at the elementary level have begun to decline following a peak enrollment of 2,500 in 2008. Enrollment numbers are also a key factor in planning for major facility improvements. For more information on these numbers, see Appendix E on page 201.

BUDGET SUMMARY

To arrive at the voted FY17 budget of \$69,524,634, the School Committee evaluated a number of iterations. Similar to FY16, the FY17 budget was built by projecting personal service and expense increases needed to meet Level and Mandated Services, Strategic Plan investments and, finally, Other Critical Needs. In response to the Selectmen’s request for expected growth in FY17 at the end of the FY16 Budget process, the School Department projected that a 5% budget would support level service as well as Strategic Plan investments, recognizing there would be a new collective bargaining agreement. However, the School Committee in collaboration with the Board of Selectmen adopted a 4% guideline in order to meet the Town’s fiscal challenges. To meet the proposed guideline, the Administration proposed a significant reduction (\$579,493) in cash capital expenses, but town budget constraints also demanded that capital budgets be cut; therefore, the School budget showed an increase of 4.87% and more reductions were sought. Through collaboration with the Town, who agreed to absorb \$155,000 the schools had included for benefits of new positions, and the further reduction of \$256,584, the schools arrived at a 4.25% increase over the FY16 approved budget. New to the school budget this year is \$25,000 to cover the cost of Labor Counsel, which previously had been funded by the Town.

There are high personnel costs associated with delivering a quality educational program to meet the needs of the nearly 5,000 students who attend the WPS. Contractual agreements called for a base salary increase of 0.75% for FY17. In addition, after the FY16 budget was set, a net of 7.68 FTEs was added. These changes were the result of declining enrollment at the elementary level and special education needs. In FY17 there are 13.15 new FTEs added: 7.25 to address Level Service and 5.90 for Strategic Plan Investments.

FY17 Budget Components	Budget and \$ Growth	% Budget Growth
FY16 Budget	\$66,689,159	
Base Growth	2,169,788	3.12%
Level and Mandated Services	322,453	0.46%
Strategic Plan	429,037	0.62%
Other Critical Needs	15,000	0.02%
Savings	(100,803)	-0.14%
FY17 Budget	<u>\$69,524,634</u>	4.25%

LEVEL SERVICES AND MANDATES - \$322,453

Level and Mandated Services provide the same quality of education offered in the previous year both in terms of FTEs and expense. Roughly half is for expenses to meet an increase in nursing needs at PAWS and during school registration and continued funding of the ERP program at WHS. Personal services account for the other half. These needs are typically driven by changes in enrollment. This budget reflects the decline at the elementary school with the reduction of one section at Hardy and one section at Sprague. At the Middle School there are no position requests for enrollment-driven needs and at the High School a lab science class and a restructuring of the Library staffing has been proposed to meet high student demand. A change in the way grant money is used to fund positions has resulted in the increase of 8.8 Instructional Assistants but a decrease of 26 Paraprofessionals in the FY17 budget. See the Appendix D: School Staff Compensation on page 195 for a more complete explanation.

Position	FTE	Cost	
Sped TA/Para	8.8	\$202,400	Meet student needs
K-TAs	2.0	\$ 46,000	Fiske & Upham
World Language	.5	\$ 43,894	FY16 WEF funded
Library Teacher	.5	\$ 34,359	WHS
Science Teacher	.25	\$ 17,180	WHS
Sections Reductions	(2.0)	(\$137,434)	Hardy & Sprague
Sped Para	(2.0)	(\$ 71,362)	Students aging out
Library TA	(.8)	(\$ 23,000)	WHS
Pers Services Total	7.25	\$161,536	
Expenses Total		\$160,917	

STRATEGIC PLAN INVESTMENTS - \$429,037

Strategic Plan Investments include the continued rollout of the World Language Program and the addition of a TV/Video teacher to support STEAM initiatives. To address the growing emotional and behavioral needs of students, the creation of Cornerstone at the high school, the addition of a Special Education therapeutic intervention specialist at the middle school and increasing the elementary social worker from .5 to 1.0 FTE. The FY16 budget included a request for the 0.5 position which has been reduced from 1.0 during the budget process. The expense portion of this part of the budget, \$17,000, covers Professional Development for teachers.

Position	FTE	Cost	
World Language	3.0	\$202,151	
Sped Teacher	1.0	\$68,717	Cornerstone
English Teacher	.2	\$13,743	Cornerstone
Math Teacher	.2	\$13,743	Cornerstone
Sped Teacher	1.0	\$68,717	WMS
Social Worker	.5	\$34,359	Elementary
TV/Video Teacher	.2	\$13,743	WHS
Para	.2	(\$7,136)	
Pers Services Total	5.90	\$412,037	
Expenses		\$ 17,000	

Note: As a reference for this section, the full Strategic Plan for Wellesley Public Schools can be found on the WPS website, www.wellesley.k12.us

OTHER CRITICAL NEEDS INVESTMENTS - \$15,000

There are only two items in the FY17 budget comprise Other Critical Needs, an adjustment to the Performing Arts offset of \$13,000 and \$2,000 for Special Education Materials.

SAVINGS – (\$100,803)

Where possible reductions were made by reexamining staffing and service delivery models in order to provide new programming. There is a reduction in Special Education tuition and transportation of \$86,103 and an ELL database system for documents that require translation has generated a saving of \$14,700. The creation of the Cornerstone Program and the hiring of the Therapeutic Special Education teacher at the WMS are seen as cost avoidance measures. See Special Education section for more information. Offering more services in district has the potential to eliminate the need for costly out of district placements.

BUDGET REDUCTIONS \$256,584

Following the presentation of the FY17 budget to the School Committee in early December, the Town asked the schools to cut another \$200K to \$300K from the proposed budget. The following items were considered to be the least painful by the administration, taken out of the proposed budget and voted by the School Committee in early February. These reductions reflect the overarching theme of this budget; a 4% increase leaves little room for much beyond Level Service. There are one-time adjustments of \$92,740 that will put further pressure on the FY18 budget that are highlighted below. SchoolTrac Fees (fees charged for online payments) are being shifted to parents. Lastly new initiatives such as increasing the Theatre Technician and WHS receptionist positions to 1.0 FTEs and the addition of an afternoon bus at the high school will not happen.

Boston Marathon Funds*	\$33,190
Nursing Supplies	\$ 1,500
Chapter 222 correction	\$ 4,504
METCO transportation	\$10,000
Inc. Rental Fees	\$ 6,151
Pre-school offset	\$21,000
HS bus added to FY17	\$54,000
Cost of 3 lane changes	\$16,500
Nurses' orientation	\$ 1,100
SchoolTrac Fees	\$20,000
HS Receptionist	\$12,890
Perf Arts Supplies & Maint*	\$19,500
Library books*	\$ 7,500
World Language Materials*	\$25,050
HS Evolutions Materials*	\$ 7,500
Theatre Technician	\$16,299

* one-time adjustments

SCHOOL BENEFITS

In 2013, the BOS implemented a policy that required any department proposing to add a benefited position in the next fiscal year to make a one-time payment of \$20,000 to the General Insurance Fund to cover the new employee's benefits for one year. Similar contributions are made annually on behalf of each existing full-time Town employee but these costs do not appear in the operating budgets of the individual departments. The \$20,000 payment is a reminder to Town Meeting and Town departments of the non-salary costs associated with benefited positions. In the case of a Teaching Assistant, the payment is \$7,900, which reflects the fact that on average, this group of employees selects Individual rather than Family health plans. The benefits payments do not actually come out of the operating budgets of the department in the first (or any subsequent) year of full-time employment, but this policy helps to make the employee benefits costs more transparent. The Town has agreed to budget the \$155,000 to cover the benefit costs of new position in the FY17 budget.

SCHOOLS – SPECIAL EDUCATION

State and Federal law mandates that Wellesley Public Schools provide Special Education services to eligible students, beginning at age three and continuing until age twenty-two or high school graduation, whichever occurs first. The law mandates that all Special Education children receive services that allow them to access and progress in public education in the least restrictive environment possible. Any student who may be a candidate for SPED is evaluated and, if it is determined that they are eligible, an Individual Educational Program (IEP) is developed for them. An IEP is a legally binding contract between the school district and the family. As with its regular education program, Wellesley strives to be a community that provides excellence in its special education program.

The majority of Special Education students is served by WPS staff, through In-District (ID) programs. If a student's needs are such that a town cannot appropriately provide for them in a public setting, the law requires that the town find and pay for an Out-of-District (OOD), State-approved Special Education placement, including transportation costs. For more detail on Special Education and Circuit Breaker, please see Appendix F on page 202.

The total Special Education portion of the FY17 general operating budget request is \$19,924,195, an overall increase of \$276,267 (1.41%) from FY16. These projected expenses

represent 29% of the total school budget and support a projected 18% of the student population between grades K-12. The number of students receiving services fluctuates throughout the year as students come on and off IEPs, but the percentage of students receiving service has hovered around 17% for the past few years.

Between FY13 and FY17 (budget), SPED expense went from \$17,381,293 to \$19,647,928¹, an increase of \$2,542,902 (15%) over 5 years. In an effort to manage the significant annual cost increases while maintaining service levels, the Schools have brought more SPED programs in-house. These In-house programs are more cost effective than out of district placements and often times are better suited to service individual student needs, as mandated by law.

Total Program (net of CB)	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Request	% Inc/Dec
In-District	\$12,650,135	\$13,688,527	\$13,660,694	\$14,955,733	\$15,613,767	5.60%
Out-of-District	\$4,731,158	\$4,161,911	\$4,937,456	\$4,692,195	\$4,310,428	-9.90%
TOTAL	<u>\$17,381,293</u>	<u>\$17,850,438</u>	<u>\$18,598,150</u>	<u>\$19,647,928</u>	<u>\$19,924,195</u>	1.41%

To offset some of the costs generated by these mandated programs, the Schools receive reimbursement from the State in the form of Circuit Breaker (CB) funding. The table above shows expenses net of these reimbursements. CB reimbursement is based on costs from the previous year and, therefore, reimbursement lags actual expense increases or decreases by one year. School Committees are permitted to carry over reimbursement for one year and use it to reduce expenses in the next year, so the use of CB reimbursement funds can mask changes in actual spending.

Special Education Program	FY13 Growth	FY14 Growth	FY15 Growth	FY16 Growth	FY17 Growth
TOTAL	15.10%	2.70%	4.20%	5.60%	1.41%

*Budgets are net of Circuit Breaker reimbursement, which can fluctuate year to year.

Yearly net growth in the table above includes the use of CB funds to reduce spending. In FY17, the level of CB funds will be greater than in FY16 so the net budget growth understates growth in real program spending. While the actual cost of SPED programs expenses in FY17 are anticipated to increase by \$645,310 (2.9%), the budget is favorably impacted by an anticipated increase in Circuit Breaker reimbursement of \$369,043 (14%).

¹ It should be noted that the total FY16 budget request was \$19,573,853. Actual expenses are estimated to be \$19,647,928 and this budget analysis is based upon the higher figure. The \$74,075 increase is due to SPED services identified after the budget was voted at Town Meeting.

In-District Budget

In-District Budget Program	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Request	% Inc/Dec
Inclusion	\$8,310,275	\$8,215,159	\$8,590,797	\$9,103,381	\$10,018,784	10.01%
Specialized Programs	\$4,443,829	\$4,946,163	\$4,650,317	\$5,328,910	\$5,158,650	-3.20%
Transportation Circuit Breaker	\$171,031 (\$250,000)	\$527,205	\$419,580	\$357,117	\$436,333	22.18%
Total	<u>\$12,650,135</u>	<u>\$13,688,527</u>	<u>\$13,660,694</u>	<u>\$14,789,408</u>	<u>\$15,613,767</u>	5.60%
In-District						
Number of students*	809	772	877	854	897	

*NOTE: All student numbers are given as of October 1 for the actual or budget year and as of February 2016 for FY17

In-District costs increased in total by \$824,359, or 5.6% over FY16. Salaries are the major component of In-District expenses, representing approximately 93% of the In-District FY17 budget (net of CB). Salaries typically account for about 90% of In District costs. The ID programs have grown faster as additional programs are introduced within WPS and that the resulting ability to serve more students in-house reduced OOD program cost growth.

Out-Of-District Budget

	FY16 Appropriation	FY17 Budget Request	FY16-17 % Change
Instruction	\$44,436,599	\$46,912,131	5.57%
Administration	\$ 1,045,220	\$ 1,110,490	6.24%
Operations	\$ 1,559,412	\$ 1,577,821	1.18%
Special Education	\$19,647,928	\$19,924,192	1.41%
Total Personal Services	\$58,244,402	\$61,371,110	5.40%
Total Expenses	\$ 8,464,757	\$ 8,153,524	-3.68%
Total Operating Budget	<u>\$66,689,159</u>	<u>\$69,524,634</u>	<u>4.25%</u>

The Out-of-District (OOD) budget is comprised of three elements: the tuition costs for students who are placed in programs outside of the District where the students' specific disabilities can be addressed, transportation costs and the revenue offset from Circuit Breaker funds received from the State. Tuitions for OOD students are projected to decrease slightly as the composition of students in OOD programs shifts. The FY16 planned number of students in directed placements was 66 (11 were based on legal settlements). In actuality, there were 3 fewer. Currently, WPS has 64 students placed in OOD. There are 67 students projected to be placed out in FY17, including 8 budgeted settlement agreements. Transportation costs fell by a \$60,569. Circuit Breaker funds used to offset expenses increased \$369,000 as FY17 is budgeted at 72% of over threshold expenses. This rate is slightly increased based upon higher actual reimbursement rates received in FY15 and FY16.

Requests for Adds to Staff: FTE

As shown in the table below, proposed additional staff of 9.0 FTE contribute an additional \$367,320 to expenses. The newly developed Cornerstones program requires 1.4 FTE and the Middle School is requesting an additional Therapeutic intervention specialist (1.0 FTE) to meet increasing and continually more complex student needs. Cost savings of \$78,498 offset result from the elimination of 2.2 High School paraprofessionals. The school was able to reduce the paraprofessional FTEs because students utilizing their services aged out of the program.

Additional Teaching Assistants (8.8FTE) are needed to provide specific support for individual students, as required by their IEPs.

FTE Requests

Staff Increase FY17	FTEs	Salary
High School Special Educator-new program	1.0	\$68,717
High School English and Math Teachers-new program	0.4	\$27,486
High School Reduction of Paraprofessionals	-2.2	(\$78,498)
Middle School Therapeutic Intervention Specialist	1.0	\$68,717
Districtwide Teaching Assistants	8.8	\$202,400
Total	9.0	<u>\$288,822</u>

SCHOOLS – CASH CAPITAL

The Schools Cash Capital budget consists of two components: Furniture, Fixtures and Equipment (FF&E) and Technology. For FY17, the School Committee is requesting \$784,920 of which \$43,529 will be targeted for FF&E and \$741,391 will be spent on Technology. The original budget for FF&E was \$215,400 and the planned technology request was \$1,149,013. In order to meet budget constraints, significant purchases have been delayed. Therefore, the total cash capital budget decreased by 8.31% in FY17.

	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Appropriated	FY17 Request	% Inc/Dec
FF&E	\$296,544	\$212,666	\$143,467	\$128,381	\$43,529	-66.10%
Technology	\$553,661	\$590,469	\$635,035	\$727,685	\$741,391	1.88%
Total	<u>\$850,205</u>	<u>\$803,135</u>	<u>\$778,502</u>	<u>\$856,066</u>	<u>\$784,920</u>	-8.31%

Furniture, Fixtures & Equipment (FF&E) \$43,529

Items included in this portion of the budget have a limited life cycle but are not replaced annually. Because of budget constraints in FY17, only the highest priority items were included in the FF&E request. Of the \$43,529 requested for FF&E, \$17,260 (40%) is for equipment to be used district-wide such as installation of cameras on three Special Education vans (\$6,000); headsets, keyboards and other assistive devices for ELL testing (\$7,000), carts/travelling whiteboards for the Elementary World Language Program (\$3,660), and locking file cabinets (\$600). At the elementary schools, purchases will be: a new kiln for the Bates art room (\$4,165), bookshelves for K-2 classrooms at Fiske (\$4,000), classroom area carpets at Hardy (\$1,966), a refrigerator for the Hardy and Bates' nurses offices (\$1,600). At the Middle School, the SC requests \$14,538 for new woodworking equipment.

The schools have decided to delay the installation of cameras on 3 other Special Education vans until FY18.

Technology \$741,391

The technology piece of the capital budget consists of: replacement hardware, new hardware, and installation/other expense. The bulk of the request (\$519,400) is for desktop and laptop replacements. FY17 budget would provide for:

- expansion of the 1:1 initiative to the 8th grade
- support for the infrastructure (servers and uninterruptable power supplies)
- replacement hardware at the elementary levels

The 1:1 program is now in “full swing” for the 6th and 7th grades and the 8th grade is in pilot. This year’s capital request will provide devices to incoming 6th grade students, as well as devices and professional development for the 8th grade teachers. This would complete the Middle School program implementation. By way of background, the 1:1 initiative was launched in October 2014 and includes three options for participation: “Bring Your Own Device” (BYOD), purchase/lease, or use of a school-based loaner iPad during the day. New apps for iPads (as well as all software licenses) are funded through the operating budget, not cash capital.

The schools continue to reduce its use of physical computer servers. Included in the technology request this year is the cost to upgrade the memory and blades in the virtual servers as well as replacement of batteries that support the servers in a power outage.

Capital Delays:

Budget pressures caused the Schools to delay planned technology investments of \$407,622:

- rollout of the initial phase of the 1:1 program at Wellesley High School
- ipad carts in grade 4
- replacement hardware for student stations at WHS and WMS
- replacement of 271 student technology (laptop & desktop) stations at Wellesley High School and Wellesley Middle School

These deferred expenses will put significant pressure on the FY18 budget. The planned capital technology request for FY18 is expected to reach \$1.85 million.

BOARD OF SELECTMEN – EMPLOYEE BENEFITS

	FY14 Actual	FY15 Actual	FY16 Appropriation	FY17 Request	FY16-17 Change
Group Insurance	\$14,939,564	\$16,069,084	\$16,206,701	\$16,138,304	-0.42%
Workers Compensation	720,209	517,860	517,860	517,860	0.00%
OPEB Liability Funding	1,200,000	1,200,000	1,800,000	2,400,000	33.33%
OPEB Liability Funding Exclusion	1,800,000	1,800,000	1,200,000	600,000	-50.00%
Retirement Contribution	5,008,205	5,936,039	6,150,755	6,390,114	3.89%
Unemployment Compensation	200,000	200,000	150,000	150,000	0.00%
Compensated Absences	15,132	12,190	90,000	90,000	0.00%
Non-Contributory Pensions	16,688	16,700	18,116	18,660	3.00%
TOTAL Employee Benefits	\$23,899,798	\$25,751,873	\$26,133,432	\$26,304,938	0.66%

Group Insurance

The Group Insurance budget covers the Town's share of annual health insurance premiums for active and retired employees. In addition, it includes life insurance, dental insurance, long-term disability insurance, an employee assistance program, and the Town's share of the Federal Medicare tax. The tax-impact budget request is net of a reimbursement from the Enterprise Funds for their personnel.

Group Insurance benefits for active and retired Town and School employees continue to comprise a significant percentage of the total budget, with the health insurance component growing at a faster rate than revenues. In recent years, health insurance has been a major factor in the difficulty of balancing the Town's budget. In response, the Town has implemented a number of changes, many of which have been subject to collective bargaining.

In 2015, after negotiating with its unions, the Town implemented changes in its contribution strategies for its West Suburban Health Care plan offerings. The new "Fallon as Primary" structure, by incentivizing its employees into the lowest cost plans, achieved savings significant enough to help avoid an operating override in both FY16 and FY17. Under this new arrangement, the Town reduced the contribution to all health plans except Fallon, which led to approximately 60% of all subscribers switching coverage to the lower cost plans. The Town also pays employees with alternate insurance options to "opt out" of the Town's health insurance programs. Because significant savings have been achieved by movements within this new structure and opt outs, the health insurance appropriation is flat from 2016 to 2017, even as the cost of all of the plans has increased.

Workers' Compensation

The Town self funds its Workers' Compensation program and engages an outside firm to manage all claims and cases. The program includes the cost of reinsurance to protect against catastrophic cases. An actuarial analysis is performed annually to determine the adequacy of the self insurance fund and identify an annual appropriation amount. Due to several years of good claims experience, the Town has been able to maintain a level appropriation, while increasing the balance in the self-insurance fund.

OPEB Liability Fund

Other (than pension) Post-Employment Benefits (OPEB) liabilities are the cost of the Town's actuarially determined obligation to subsidize a portion of retiree medical insurance for retired Town and School employees. Drivers of OPEB liability costs include health care costs, the size of the eligible population, and the level of benefits provided. Health care cost inflation, an aging population, consistent benefit offerings, and longer life expectancy have collectively served to increase OPEB costs in recent years.

Until FY06, Wellesley, like other municipalities, funded retiree health care costs entirely on a pay-as-you-go basis. At that time, funds were not appropriated to cover the actuarial cost of benefits earned during working years, resulting in an OPEB funding liability. In 2007, the Town proactively added funding for its annual required contribution (ARC), calculated at approximately \$3 million per year over a 30 year period, when the voters approved an \$18 million exclusion to budgeted during the following ten years. The idea was to fund \$1,800,000 per year "outside the Levy", and \$1,200,000 per year "inside the levy" to achieve the ARC. The \$3 million ARC is intended to eliminate that unfunded liability by 2037, and is made in addition to the pay-as-you-go ("normal") costs (the enterprise funds contribute separately for their own OPEB liability). Because the exclusion will expire in 2017, recent budgets have been adjusted to fund \$600,000 more per year inside the levy (reducing the amount excluded) with the idea of creating space for the entire ARC inside the levy without contributing to a structural imbalance in the budget.

Pension/Retirement Contribution

The majority of Town employees participate in a defined benefit plan, the Wellesley Contributory Retirement System (WCRS). Public school teachers and certain administrators are members of the Massachusetts Teachers Retirement System; to which the Town does not contribute.1 WCRS members are required to contribute between 5% and 11% of annual covered compensation (depending on their hire date), and the Town is required to pay its share of the actuarially-determined contribution. Employees do not participate in social security and contribute significantly more of their income to their own retirement than private sector employees contribute to social security. A chart of the Town’s pension contribution from FY10- FY17 is shown below:

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
	Actual	Actual	Actual	Actual	Actual	Actual	Appropriation	Requested
Contributory Retirement Pension Contribution	1,000,000	2,000,000	3,125,026	3,813,574	5,940,854	7,040,036	7,285,678	7,562,273
Tax Impact Portion	1,000,000	1,732,000	2,630,273	3,209,844	5,008,205	5,943,377	6,150,755	6,390,114
Year-over-year increase in tax impact portion	1,000,000	732,000	898,273	579,571	1,798,361	935,172	207,378	239,359
Percentage increase in tax impact portion		73.20%	51.86%	22.03%	56.03%	18.67%	3.49%	3.89%

NOTE: Town contributions to the Retirement Pension Fund recommenced in FY10.

From FY97 until FY09, the Town did not make contributions to the WCRS, because the system was fully funded and annual investment earnings were more than sufficient to cover the annual cost to the Town. Town employees continued to make their contributions during this period, however. Following the severe downturn in global financial markets in 2008, the Retirement Board made the prudent decision to resume appropriating Town contributions to the system. Beginning with \$1.0 million in funding for FY10 and ramping up quickly, the contribution has increased each year to achieve an actuarial funding schedule that has now leveled off at a rate in line with annual revenue increases. This schedule will achieve full funding by 2030. The MLP, Water, Sewer, and the Wellesley Housing Authority each contribute their shares of the pension costs, resulting in a net 2017 appropriation of \$6,390,114 (up 3.9% from FY16). The current schedule is based on the conservative assumption that the average annual investment return for the pension assets will be 6.75%. As has been the case historically, the WSRS is one of the highest funded systems in the Commonwealth.

Unemployment Compensation

The Unemployment Compensation budget is used to reimburse the Massachusetts Division of Employment Security for actual claims paid on behalf of the Town. The Town has an option of paying a fixed percentage of payroll or actual expenses and has chosen the latter, cheaper approach. Qualified claims may be reimbursed for a period of up to 30 weeks.

Compensated Absences

The Compensated Absences budget provides funds to pay eligible employees for sick and vacation leave earned in prior years upon retirement, termination, or death; subject to the provisions of the respective collective bargaining agreements. Because these payouts cannot always be predicted or absorbed in the smaller operating budgets, this appropriation serves as a reserve for non-school budgets. Any unused amounts at fiscal year-end revert to free cash/available funds. Non-union/ Non-contract employees are not compensated for unused sick time, and vacation carryover is limited by the Town’s Bylaws and Human Resources policy.

Non-Contributory Pensions

The non-contributory pension budget provides retirement benefits for retired employees or their surviving spouses who elected not to become members of the WCRS when it was established in 1937.

CASH CAPITAL AND DEBT SERVICE

Cash capital is the routine annual purchase of capital assets (such as equipment or furnishings) or minor construction and/or capital projects that, due to their size and irregular occurrence, are not part of departmental operating budgets.

Debt service (principal and interest payments for bonded projects) is referred to as either “inside the levy,” meaning it is part of the Town’s annual operating budget subject to Proposition 2 ½ limits, or “outside the levy,” meaning it is debt service on projects that the voters have excluded from the limits of Proposition 2 ½.

Historically, the Town’s general policy was to maintain the combined funding for cash capital and inside the levy debt service at a level between 7% and 8% of the sum of inside the levy taxes and current revenues (State Aid plus Local Revenue). The intention was to provide a level of funding that adequately addresses routine capital needs, while preventing undue pressures on the operating budgets. In recent years the Town has elected to fund significant projects outside the levy (temporary) to avoid the need for permanent operating overrides.

	Trends in Wellesley Capital Costs (\$000s)*						
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Cash Capital	2,757	3,008	3,526	3,872	4,283	4,502	5,167
<i>as % of Inside Levy Taxes plus Current Revenue**</i>	2.30%	2.40%	2.80%	3.20%	3.30%	3.40%	3.73%
Inside Levy Debt Service	3,591	3,392	3,109	3,179	3,728	3,970	4,149
<i>as % of Inside Levy Taxes plus Current Revenue</i>	3.00%	2.70%	2.40%	2.60%	2.90%	3.00%	3.00%
<i>Cash Capital + Inside Debt as % of Inside Levy Taxes plus Current Revenue</i>	5.90%	5.70%	5.70%	5.80%	6.20%	6.30%	6.73%
Outside Levy Debt Service	9,688	10,816	11,059	9,563	9,143	13,383	12,924
<i>as % of Total Taxes plus Current Revenue</i>	8.20%	8.80%	8.60%	7.30%	6.60%	9.00%	9.33%
Total Debt Service	13,279	14,461	14,168	12,741	12,871	17,353	17,073
<i>as % of Total Taxes plus Current Revenue</i>	11.20%	11.70%	11.10%	9.70%	9.20%	11.70%	12.33%
Total Capital Costs***	16,036	17,216	17,694	16,613	17,154	21,855	22,100
<i>as % of Total Taxes plus Current Revenue</i>	13.50%	13.90%	13.80%	12.60%	12.30%	14.80%	15.96%
Inside Levy Taxes plus Current Revenue	107,978	111,670	115,771	120,635	128,531	133,543	138,486
Total Taxes plus Current Revenue	118,732	123,529	128,008	131,805	139,489	148,146	151,461
<i>Inside Levy as % Total Taxes</i>	91%	90%	90%	90%	91%	89%	78%

*FY11 – FY15 are actuals; FY16 is appropriated; and FY17 is requested. **Current revenue equals State Aid plus Local Revenue. ***Total capital costs equal cash capital plus total debt service.

DEPARTMENT CASH CAPITAL

	FY12	FY13	FY14	FY15	FY16	FY17	FY16-17
	Actual	Actual	Actual	Actual	Appropriation	Request	Change
Public Works	\$1,322,700	\$1,322,500	\$1,524,000	\$1,611,000	\$1,528,000	\$1,954,000	27.88%
Schools	885,710	962,554	803,134	791,030	856,066	784,920	-8.31%
Facilities – Schools	101,422	611,250	811,200	929,400	790,000	1,073,500	35.89%
Facilities – Town	346,636	282,333	330,000	570,600	785,000	676,500	-13.82%
Facilities – Total	\$448,058	\$893,583	\$1,141,200	\$1,500,000	\$1,575,000	\$1,750,000	11.11%
Planning Board	0	0	0	0	30,000	90,000	200.00%
Health	0	0	0	0	0	13,661	0.00%
Selectmen	219,974	231,936	206,457	247,238	334,486	349,913	4.61%
Library	34,000	40,500	43,000	46,000	115,700	131,300	13.48%
Town Clerk	0	0	79,550	7,000	7,000	16,385	134.07%
NRC	75,000	75,000	75,000	65,500	55,500	77,000	38.74%
Morses Pond	0	0	0	0	0	0	0.00%
Total Cash Capital	<u>\$2,985,442</u>	<u>\$3,526,073</u>	<u>\$3,872,341</u>	<u>\$4,267,768</u>	<u>\$4,501,752</u>	<u>\$5,167,179</u>	14.78%

Departmental Cash Capital is appropriated for the purchase of equipment, furnishings, technology, minor construction projects or other capital assets that are neither part of departmental operating budgets nor financed with bonds paid from debt service, but are instead paid for from cash on a current basis. Purchases are considered capital assets if they possess a multi-year useful life, are non-recurring budget items, or have a substantial cost compared to the size of the department's operating budget. The complete Five-Year Capital Budget Program is provided in Appendix C on page 182.

Although FY17 cash capital was reduced from amounts originally requested, cash capital growth (over 14% vs. FY16) was a significant factor in balancing the FY17 budget. Cash capital needs outstrip revenue growth in the next several years, and will contribute to difficulty in balancing future budgets.

DEBT SERVICE

This budget provides funds to pay the FY17 debt service (principal and interest payments) due on all Town permanent and temporary loans, except those of the Enterprise Funds, which are paid from their respective budgets.

The capital plan shows the entire cost of projects in the expected year of appropriation. However, debt service budgets for these capital projects and the associated tax impact are based upon estimates the timing of cash flow needs (staggered vs all at once). These cash flow needs evolve based upon changing construction schedules. Debt service appropriations for debt that has been issued (existing debt) are more predictable than for debt that hasn't yet been issued. The Town Wide financial plan shows the projected average tax impact of the various projects to be funded with exempt debt.

The Town takes pride in maintaining its AAA bond rating, which enables it to borrow at favorable interest rates. Most debt is amortized using a conservative level- principal (rather than level-payment) approach and shorter amortizations, which causes debt appropriations to decline quickly and minimizes interest charges. In recent years the Town has saved significant amounts by refinancing existing debt at lower interest rates.

Inside the Levy	FY14	FY15	FY16	FY17	FY16-17
	Tax-Impact	Tax-Impact	Tax-Impact	Request	Change
Debt Service on Existing Debt	\$3,090,675	\$2,964,536	\$2,423,407	\$3,125,921	28.99%
Projected New Debt Service	0	0	1,546,718	333,250	-78.45%
Total Inside Levy Debt Service	\$3,090,675	\$2,964,536	\$3,970,125	\$3,459,171	-12.87%
Outside the Levy					
Debt Service on Existing Debt	\$9,369,533	\$9,146,656	13,383,348	8,687,834	-35.08%
Projected New Debt Service	192,987	2238	0	4659497	0.00%
TOTAL Outside Levy Debt Service	\$9,562,520	\$9,148,894	\$13,383,348	\$13,347,331	-0.27%

RECEIPTS RESERVED FOR APPROPRIATIONS

TRAFFIC AND PARKING – 4.1 FTE

	FY14	FY15	FY16	FY17	FY16-17
	Actual	Actual	Appropriation	Request	Change
Traffic & Parking Operations	\$693,417	\$651,373	\$868,721	\$865,167	-0.41%

Funds for Traffic and Parking expenditures are provided by parking meter receipts from on-street parking meters and the municipal parking lots, which are deposited into the Town Traffic and Parking Fund. In FY17, the parking meter receipts are projected to be \$865,167. The operating budget for the Traffic Fines Processing Department, formerly under General Government, has been moved to this non-tax impact budget. This budget also funds traffic and engineering services; meter maintenance; snow removal; sanding services for the Town's parking lots; and parking lot repair and maintenance. One Parking Clerk, five part-time Parking Attendants and one part-time Meter/Sign Repair person are included in the budget in addition to half the salary of the Town's Deputy Director (the rest of his salary is budgeted in the Executive Director's Department; his 1.0 FTE is fully accounted for in that department as well). In 2014, the Police Department hired a new officer specifically to enforce traffic regulations, with this employee's salary split evenly between Traffic and Parking Operations and the Police Detail fund. This position therefore has no net tax impact to the Town.

CONCLUSIONS, CONSIDERATIONS AND RECOMMENDATIONS – ARTICLE 8, MOTION 2

The FY17 budget request for operations, cash capital and debt service inside the levy limit is an increase of 3.1% over the FY16 appropriation. This report goes to press with a balanced budget for FY17 as required by Town Bylaws; the median tax bill is projected to increase by 1.7% to \$11,919 for FY17. This increase is significantly lower than the prior year increase of 5.6% due to fewer large-scale building initiatives and postponement or cancellation of other initiatives, including school security, which could approach \$4 million. It does however include the Tolles-Parsons Senior Center, a new Hunnewell Track and Field at Wellesley High School (which will receive about a third of its funding from private donations and another third from CPC funds) and \$2 million for the Police Station roof and building envelope repairs. The Town benefits from a 0.42% decrease in the Group Insurance Budget (total budget of~ \$16.1 million). This is due to a switch to lower cost employee health benefit plans and a large shift in employees electing these plans. This benefit may be a one-time event, but careful planning and proper incentives may mitigate future increases. The Town retirement contribution (about \$6.4 million) increased by 3.9% (prior year increase was 3.5%) and will likely continue to outpace inflation going forward.

The FY17 budget, similar to that of FY16, continues to include a commitment to fund both the pension and OPEB liabilities. Additionally, the Town continues to raise the spending level of the Facilities Maintenance Department (\$1.75 million for FY17) towards the objective of spending

approximately \$2 million per year through both cash capital and the long-term capital plan. The Town has learned over time that it is prudent and less expensive in the long run to adequately maintain Town buildings. The same is true for funding future OPEB and pension liabilities.

Primary Budget Driver

Personal services will likely always be the largest driver of the Wellesley budget as they represent 65% of the cost of Total Operations. The cost structure of Wellesley's personal services is based on a high percentage of union employees whose contracts include annual increases that typically exceed the rate of inflation. One way to mitigate and contain this built-in overall increase is to maintain or potentially decrease headcount through greater efficiency while retaining our excellent level of service. Also, when longer term employees retire and are replaced with lower paid younger employees, this mitigates the overall personal service increase. It is the hope of Advisory that efficiency of overall Town operations can be improved.

Long-Term Cash Capital and Capital Spending

The largest, most costly project looming in the next few years is the Hardy/Hunnewell/Upham project, which is currently in the evaluation phase. This project will likely exceed \$100 million with the tax impact starting in FY19 and FY20 and extending well beyond. Past School projects have benefitted from state assistance where up to 40% of the project costs has been provided by Massachusetts. It is unlikely that the state will provide funding for near term school projects in Wellesley. In addition, there is a \$7.3 million Middle School Infrastructure project that will have a tax impact to the FY19 tax bills. The Schools are projecting a \$2.4 million increase in cash capital spending in FY18 for technology related upgrades, which could contribute to the need for an override next year. Cash capital spending directly impacts taxes in the year of the expenditures. Some members of Advisory feel that a significant portion of this expense could be eliminated as many of the school children in town may already have the needed iPads, laptops, etc., and those who are unable to afford them could borrow them from the School Department. Also, some members of Advisory question the need to replace desktop computers as the technology used has evolved to primarily use of laptops and tablets.

Use of Free Cash

The use of reserves over the past several years, as well as the proposed level for FY17 (approx. \$2.5 million), is significant. The Town has used Free Cash to balance six of its last seven budgets, at an average level of \$1.81 million each time. The amount of Free Cash used in recent years has increased to the current level of \$2.5 million. This increased use of Free Cash has been mitigated by higher "turnbacks" which represent funds unused in the prior year's budget. That said, the Town should not continue to rely on a high rate of turnback, for the increased dependence on the use of Free Cash could adversely impact the Town's reserves.

Advisory continues to have a positive assessment of the Town's general financial health, including the current adequacy of reserves, the significant progress the Town has made toward funding pension and Other Post-Employment Benefits (OPEB) liabilities, and the continued investment in facilities maintenance. Advisory is pleased that the Executive Director and the BOS have been proactively working with the unions to contain healthcare costs. The use of Free Cash as proposed for FY17 does not change this assessment.

FY17 School Budget

The School Budget is a comprehensive detailed attempt to balance the community's high expectations for education within the Town guidelines of a 4% increase. Some members of Advisory are disappointed that the schools were not able to live within the guideline set by the Selectmen. While the school's ended up at a 4.25% increase, some members of Advisory feel

that 4% is well above inflation and should have been more than adequate. Other members of Advisory feel increases of less than 4.5% may not be sufficient.

Advisory recognizes that Town-wide financial constraints put significant pressure on the School budget. Personnel services are the largest driver of the School budget, representing 88% of the total budget request. The School's compensation strategy is to be in the midpoint of its 12 peer communities in order to recruit and retain excellent teaching staff. Advisory feels the Town and the Schools must address a fundamental issue: how to continue the current competitive pay strategy while maintaining level services and also making progress against the Schools Strategic Plan. The Town and Schools should work together on long-range planning, and Schools should be involved in the Town-Wide Financial Plan and the Town's long-term Unified Plan. Advisory would like to see the Schools project how the anticipated declining enrollment could impact Strategic Plan investments and what the expenditure needs related to the Strategic Plan will be in the upcoming years.

Advisory would like to see that the Schools are maximizing their existing funds to address the increasing year-to-year costs but not at the expense of the Strategic Plan or the taxpayers. Due to budget constraints, the Schools have had to repeatedly turn to the Wellesley Education Foundation (WEF) and the School PTOs to fund curriculum needs for programs, such as Elementary World Languages and Evolutions. It is not prudent for the Schools to have to rely on these outside sources for permanent funding for base curriculum.

There are multiple moving parts in the School budgeting process. Changes in Special Education needs among the student population, financial impact of collective bargaining negotiations, and the exact number of teachers at highest pay step who intend to retire are examples of expenditures that are difficult to forecast and could materially alter the budget in any given year. Advisory recommends that Schools continue to update the budget in the fall after the school budget actualizes so as to better prepare for the upcoming budget cycle.

Enrollment trends have a direct impact on planned staffing needs and budget forecasting. Advisory notes that the School Administration has proven to be very accurate with their projections and therefore can rely on those numbers for planning purposes. In the current year, class size is under guidelines in over 42% of the elementary school sections. Advisory recommends that the School Administration and the School Committee review class guidelines and look at class guidelines at our benchmark towns to be certain they are managing the staff as creatively as possible to help contain the growing number of FTEs.

Advisory notes that in order to meet the FY17 budget guidelines, the Schools delayed over \$650,000 in planned technology spending and used one-time budget reductions that will put added pressure on the FY18 budget.

Finally, the Advisory Schools Subcommittee commends the School Administration on their impressive endeavor to be transparent and specific in presenting an accurate picture of school expenditures. The School budget is a detailed report, over 130 pages long, and it is posted on the WPS website for public review. During this budget cycle, the Administration willingly and thoroughly answered all of Advisory's questions. That said, it was still a challenge to get final numbers reported timely and accurately. Advisory believes that this process will continue to evolve and improve next year.

Conclusions

Advisory appreciates the time and effort the Office of Financial Services and the Town boards and staff have committed to the development of the annual budget. Short- and long-term

planning continues to be a challenge. The budget process continues almost year-round and several iterations are needed to determine appropriate levels of cost cutting and refinements to projections to yield the budget that is brought before Town Meeting. The Executive Director and Finance Director have endeavored to set budget guidelines appropriately so that projections align as closely as possible with actual costs and spending, yet it is difficult to predict accurately more than a year ahead the factors that will affect actual costs.

Advisory members gave special consideration to the following points:

- 1) The PBC has a comparatively substantial percentage increase in Personal Services. Some members of Advisory strongly believe that any increase in the PBC budget (74.02% increase requested) should be tabled until either a new Town Manager or Executive Director is in place due to an evolving relationship between the PBC and the FMD. Other members observed that PBC's workload has increased dramatically in recent years and that using personal services resources to engage experts on an as-needed basis provides needed professional support while sparing the Town from adding FTEs.
- 2) FMD is requesting a 3.82% increase of \$146,076 to fund merit increases, a new position for energy management related to HVAC, reclassification of the Energy Manager position, and a .5 FTE to assist with the growing administrative complexity of the department. While Advisory recognizes the important role FMD plays and the need to support this effort, there is concern that any additional headcount needs to be closely scrutinized and that there may efficiencies to be gained between PBC and FMD that might preclude adding personnel.
- 3) The Sustainable Energy Committee is adding a half-time permanent position at about \$38,000 per year. The stated reasons for this position is to increase the Committee's capacity to initiate projects that contribute to achieving the 2020 target for lower carbon emissions adopted by Town Meeting and to prepare the annual estimate of Town-wide carbon emissions required in the SEC bylaw. Previously, these initiatives have been managed by the committee and the calculation of emissions was done with the help of MLP staff. A few members of Advisory feel that this could perhaps be done by sharing resources with nearby towns or by continuing to rely on help from the MLP.
- 4) Police IT support: The Police Department has requested their own IT person for security reasons. Some members of Advisory question why this position is necessary and why the Town's IT department cannot continue to handle the needs of the Police Department. These members point out that the same level of confidentiality also applies to the Town IT department, so they found it unnecessary and probably duplicative to add to Police staff. Also, it further fragments the Town IT function rather than centralizing it. Other members believe that the Police have elevated security demands based upon the sensitive nature of their work. These members believe that the Police should have an IT specialist dedicated to the Police Department.
- 5) Finally, many members of Advisory are leery of increasing permanent headcount in Wellesley. Wellesley is faced with the strong possibility of tax overrides for the next several years and must look for operational efficiencies wherever possible. The Board of Selectmen together with either the new Town Manager or Executive Director should carefully consider outsourcing where it is more cost effective and could reduce headcount as well as the use of software to automate functions such as the school payroll. It has been pointed out to Advisory that there are areas of duplication in the Town in the areas of finance and information technology among the various departments. It may be possible over time to increase operational efficiencies.

Advisory recommends favorable action, 11 to 2.

ARTICLE 8, MOTION 3

This Motion authorizes the Town to transfer the sum of \$2,498,871 from Free Cash to Available Funds in order to balance the FY17 tax-impact budget. In 2013, the Massachusetts Department of Revenue requested this specific action when the use of Free Cash is proposed as part of the budget approval process. Town Meeting action on this Motion is contingent upon passage of Motion 2. The Town has transferred Free Cash to reduce the tax rate (*i.e.*, to balance the budget) in five of the last six years:

FY16	\$2,624,169
FY15	\$2,250,000
FY14	\$2,866,108
FY13	\$2,837,757
FY12	\$1,041,064
FY11	\$0
FY10	\$1,029,353

A discussion of the use of Free Cash for this purpose is discussed above in the Advisory Conclusions and Recommendation. Advisory supports this transfer of funds from Free Cash to adequately fund the budget proposed in Article 8, Motion 2.

Advisory recommends favorable action, 13-0.

ARTICLE 9. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the special purpose municipal stabilization fund for unanticipated future claims for personal injury and medical and other expenses incurred by on-duty members of the Police and Fire Departments established by Motion 1 of Article 5 of the December 9, 2013 Special Town Meeting, in accordance with the provisions of Section 5B of Chapter 40 of the General Laws, or to take any other action in relation thereto.

(Board of Selectmen)

Under this Article, the Board of Selectmen (BOS) requests Town Meeting approval to appropriate \$91,950 from Free Cash to the special purpose municipal stabilization fund established at the December 2013 Special Town Meeting (see Article 5 on pages 17-19 in that *Advisory Report*) which has been specifically designated to pay the medical claims of firefighters and police officers who are injured in the line of duty. The establishment of this fund allows the Town to avoid having to budget \$250,000 each year as a regular appropriation to cover its full retained risk. This fund was initially established with an appropriation of \$250,000, which covers the liability limit of a single injury. However, the Town's financial advisors have recommended that the fund be increased to cover a situation where multiple Town personnel are injured in the same year, totaling \$500,000.

To this end, the BOS has been supplementing the special purpose municipal stabilization fund through appropriating the unspent amount of the \$100,000 Risk Management budget within Article 8. The Risk Management budget of \$100,000 covers annual expenses resulting from

injured-on-duty medical expense claims; if, in any given year, the medical claims of injured-on-duty police and firefighters exceed the annual \$100,000 appropriation, then the BOS will request Town Meeting approval to use funds from the special purpose municipal stabilization fund, which it will then seek to replenish at the next ATM. Last year, \$40,946 was appropriated from Free Cash; this year, the BOS requests to appropriate \$91,950. Due to last year's appropriation and interest earnings, the fund's balance is currently \$292,470.89. If this year's request is appropriated, the resulting balance would be \$383,420.89. The BOS intends to continue this plan until the fund contains \$500,000. The usual practice would be for the unspent Risk Management funds to be returned to the General Fund.

Advisory Considerations:

Advisory unanimously supported the establishment of this special purpose municipal fund in December of 2013, as well as the appropriation of \$100,000 each year to the Risk Management budget to cover injured-on-duty claims. Advisory continues to feel this fund is the correct course of action for the Town to cover potential claims, and that using the unspent funds in the Risk Management budget is the proper way to contribute to and grow the special purpose fund until it reaches the \$500,000 goal.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 13-0.

ARTICLE 10. To see if the Town will vote to create a special purpose municipal stabilization fund establishing a reserve for replacement of the RDF Baler, Compactors and other RDF equipment in accordance with Section 5B of Chapter 40 of the General Laws; and to raise and appropriate, transfer, or otherwise provide, a sum of money into such stabilization fund; or take any other action in relation thereto.

(Board of Selectmen)

The Board of Selectmen requests Town Meeting (TM) approval to create a special purpose municipal stabilization fund to reserve funds for the replacement of critical equipment for the Recycling and Disposal Facility, including the baler, compactors, and other equipment.

Each year as part of Article 8, TM has voted to contribute funds to a "Baler" fund, which will ultimately be used to replace or service the existing equipment at the RDF. At the close of FY16, approximately \$750,321.61 will have been set aside for repair or replacement of the compactor and baler equipment. The funds have been encumbered in the Town's General Fund and this motion seeks to establish a distinct and dedicated fund for the future replacement of the baler, compactors, and other RDF equipment. Creation of the special purpose municipal stabilization fund and appropriations into or out of this fund require a 2/3 vote of Town Meeting as specified by Massachusetts General Laws (MGL) Chapter 40 Section 5B. This motion does not require a budget appropriation.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 14 to 0.

ARTICLE 11. To see if the Town will vote to reauthorize one or more revolving funds for the purpose of funding the activities of certain departments of the Town, in accordance with Section 53E1/2 of Chapter 44 of the General Laws, or to take any other action in relation thereto.

(Board of Selectmen)

This Motion seeks Town Meeting approval for the annual authorization or reauthorization of the Town revolving funds established by Section 53E1/2 of Chapter 44 of the Massachusetts General Laws. These revolving funds are sourced solely from departmental receipts received in connection with the programs supported by the funds. Expenditures may be made from these revolving funds without further appropriation; they have no tax impact on the Town budget. Any earnings on these revolving funds are returned to the General Fund. A list of current Town revolving funds, the year each fund was originally authorized by ATM, and the annual expenditure limit of the fund is given below:

Revolving Fund	Expended By	ATM	Annual Expenditure Limit			
			FY14	FY15	FY16	FY17
Street Opening Maintenance	DPW	2006	200,000	200,000	200,000	225,000
DPW Field Use	DPW	2006	200,000	200,000	200,000	200,000
Turf Field Fund	DPW	2011	25,000	25,000	25,000	25,000
Tree Bank	DPW	2011	75,000	75,000	75,000	75,000
COA Bus Fund	COA	2006	110,000	0	0	0
COA Social & Cultural Programs	COA	2006	70,000	70,000	70,000	70,000
Building Dept. Document Fees	Building Dept.	2006	50,000	50,000	50,000	50,000
Teen Center Program	Rec. Dept.	2006	40,000	40,000	40,000	40,000
Recreation Summertime	Rec. Dept.	2006	20,000	30,000	30,000	30,000
Recreation Scholarship	Rec. Dept.	2006	15,000	15,000	15,000	15,000
Library Room Rental	Library	2009	20,000	25,000	25,000	25,000
Branch Library Maintenance	Library	2009	8,000	8,000	8,000	8,000
Brookside Gardens	NRC	2006	5,000	5,000	5,000	5,000

The authorized expenditure limit for each Revolving Fund in FY17 is the same as it was in FY16, except in the case of the Revolving Fund for Street Opening Maintenance, which has been increased by \$25,000 from \$200,000 to \$225,000.

For all these revolving funds, expenditures are paid from cash receipts collected from outside sources specifically for the purposes designated and without any expense to the Town. The total of all revolving funds may not exceed 10% of the prior fiscal year's tax levy and no single board or department may spend more than 1% of that levy amount. Advisory continues to support the management of these programs through revolving funds, as approved in 2006 and subsequent Town Meetings.

Advisory recommends favorable action, 13 to 0.

ARTICLE 12. To see if the Town will vote to authorize one or more new revolving funds for the purpose of funding the activities of certain departments of the Town, in accordance with Section 53E1/2 of Chapter 44 of the General Laws, or to take any other action in relation thereto.

(Board of Selectmen)

This Motion seeks Town Meeting approval to authorize two new revolving funds for the purpose of funding activities in accordance with Section 53E ½ of Chapter 44 of the Massachusetts General Laws. These revolving funds will be sourced solely from receipts received in connection with the programs supported by the funds. Expenditures may be made from these revolving funds without any further appropriation; they have no tax impact on the Town budget. Any earnings on these revolving funds are returned to the General Fund.

Weston Road Gardens, said funds to be expended under the direction of the Department of Natural Resources, annual expenditures not to exceed \$8,000.

Baler, Compactors, and other RDF Equipment Repair Fund, said funds to come from RDF (Recycling and Disposal Facility) Metal Sales revenue to be expended under the direction of the Department of Public Works (DPW), annual expenditures not to exceed \$20,000.

The Weston Road Gardens revolving fund is being established because the Natural Resources Commission (NRC) has taken over the management of the gardens from Wellesley College as a result of the North 40 purchase. These funds are generated from user fees. Each gardener currently pays \$100 per season to pay for water bills and other supplies, including wood chips and compost, as well as for repairs to the irrigation system, roadway, fencing, and landscaping or any other task that may require labor from the DPW. This account will function exactly like the existing one for Brookside Road Gardens.

The Baler, Compactors, and other RDF Equipment Repair Fund is being established to correctly account for money needed to repair the Recycling Baler at the RDF. It is being established in conjunction with the Baler Stabilization Fund to correct the way funds are appropriated.

Advisory believes that these two new revolving funds are appropriate and supports their creation.

Advisory recommends favorable action, 14 to 0.

ARTICLE 13. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Municipal Light Board for purposes of operating and managing the Municipal Light Plant, or to take any other action in relation thereto.

(Municipal Light Board)

Through this Motion, the Municipal Light Board (MLB) requests the appropriation of revenues from ratepayers and other sources and cash on hand as of June 30, 2016, for payment of the Municipal Light Plant (MLP) operating and capital expenditures in Fiscal Year 2017 (FY17).

Overview

The MLP has been established and is governed by Massachusetts General Law Chapter 164 and operates as an independent, Town-owned electric utility. The MLP provides electricity to approximately 8,900 residential customers and 1,200 commercial customers. All operations are funded from the sale of electricity to customers during the current year and from retained earnings from prior years. The MLP also generates non-operating income from various related services including:

- Providing operations and maintenance to MassDevelopment-Devens¹;
- Providing fiber connectivity for a Distributed Antenna System (DAS) for T-Mobile and Verizon Wireless;
- Providing fiber connectivity for high speed internet for Lighttower²; and
- Providing streetlight maintenance for the Town of Acton.

The MLP's principal FY17 estimated expenses are the purchase of energy on the wholesale market (\$15.5 million), Forward Capacity Market (FCM) expenditures³ (\$6.6 million), and transmission (\$4.9 million), which totals \$27.0 million or 82% of the MLP's operating budget. Although the MLB has been able to reduce energy costs by more than \$3.2 million compared to FY14 and \$2.2 million compared to FY16 by using favorable hedging strategies, there is a major cost increase on the horizon for FCM expenditures, which are projected to increase by \$3.0 million (83%) in FY17.

The MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in Town as well as sub-transmission lines into Newton and Needham.

¹ The MLP maintains the electric infrastructure and supply lines to the MassDevelopment real estate projects in Devens, a 4,400 acre former military base which was converted into a planned community in the late 1990s. The Devens contract generates the largest percentage of the non-operating MLP revenue.

² Lighttower is a business-class internet access service located in Boxborough, MA.

³ FCM revenues are set by the Independent System Operator-New England (ISO-NE) based on the MLP's demand at the time of the New England system peak from June 1 to May 31 and paid to generators to encourage the construction of new power plants. According to the MLP Operating Budget report, "Buyers of existing power plants are prematurely shuttering the facilities and taking advantage of poor ISO-NE policies to enrich themselves. Footprint Power's purchase and subsequent closing of the Salem Harbor Power plant will increase FCM costs by an estimated \$3.0 million, and approximately \$6.0 million in FY17 and FY18, respectively. In addition, the deregulation of the electric industry has reduced the profitability of New England's investor-owned utilities (IOUs). Since IOU's are also the transmission owners and receive a guaranteed, risk-free return of 10.6% on all transmission investments, major projects are being proposed and approved at an unprecedented rate."

Revenues

The MLB has estimated that \$32.0 million of operating revenues and \$1.4 million of non-operating revenues would be required to cover all operating expenses in FY17 (including the \$1.0 million payment to the Town). To date, the MLP has been able to absorb these higher costs by drawing down its cash reserves. Wellesley residents and businesses continue to enjoy electric rates that are well below those charged in surrounding communities. As of December 2015, residents in Newton, Needham and Natick using 500 kilowatt-hours per month were paying 48% more than those living in Wellesley.

The MLP continues to explore opportunities to increase non-operating revenues, one example being a partnership arrangement with American Tower Corporation (ATC) to install and operate a distributed antenna system (DAS); see the “Outlook” section below (page 83) for more details. The MLB also utilizes non-operating profits to reduce electric rates and fund energy conservation and renewable energy initiatives.

Operating Expenses

The FY17 Operating Expense budget of \$32.9 million is 5.2% higher than in FY16, an increase of \$1.6 million. The table below compares the MLP’s historical and projected expenditures for FY12 to FY17:

Operating Expenses	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Appropriated	FY17 Proposed
Administrative & General	\$635,000	\$590,400	\$638,100	\$633,200	\$692,200	\$695,900
Purchased Power	16,197,600	17,777,100	18,699,400	18,477,000	17,677,300	15,495,200
Forward Capacity	3,452,000	3,248,000	3,134,100	3,923,100	3,565,500	6,624,000
Transmission	3,354,000	4,102,800	4,559,900	4,478,500	4,425,100	4,909,300
Distribution	1,024,700	1,005,100	1,100,000	1,071,500	1,079,600	1,076,000
Customer Service	513,000	520,200	583,000	661,700	604,100	602,700
Depreciation	2,690,100	2,801,800	2,962,400	3,125,500	3,237,000	3,500,000
TOTAL	<u>\$27,866,400</u>	<u>\$30,045,400</u>	<u>\$31,676,900</u>	<u>\$32,370,500</u>	<u>\$31,280,800</u>	<u>\$32,903,100</u>

In addition to generating revenues required to meet the operating expenses outlined above, the MLP revenues are also used to fund the \$1 million annual payment to the Town’s General Fund (see Article 8, Motion 1 on page 37. It is also worth noting that the FY17 Capital Work Plan is funded entirely from the non-cash Depreciation operating expense category.

The MLP’s biggest expense is the purchase of electricity on the wholesale market, delivered to Wellesley through ISO-NE, a regional electricity transmission organization servicing New England. In the past, the MLP systematically reduced its risk by locking in energy prices using a layered and staggered portfolio approach. Using this strategy, the MLP purchased blocks of energy over a rolling five-year period, typically hedging 80% of its projected energy requirements for the current year and reducing the hedged energy percentage proportionately down to a target of 20% by the fifth year. The remainder of the needed energy was then purchased on the spot market. In response to the increased volatility of wholesale electricity prices during the summer and winter months, the MLB revised its *Power Supply Policy* to systematically increase the MLP’s hedged position. In FY17 and FY18, 100% of the MLP’s average monthly purchased power is hedged, dropping to 96% in 2019 and 64% in 2020.

The FY17 budget continues to reflect the negative financial impact that ISO-NE policies have on all New England electric utilities. In FY07, the MLP's transmission costs were \$1.3 million and in FY20 they are projected to be \$5.8 million, a compounded annual growth rate of 12.2%. ISO-NE and the Federal Energy Regulatory Commission have established policies that guarantee investor-owned transmission assets a risk-free 10.6% rate of return, passed on as transmission costs to all New England electric utilities. The MLP has attempted to reduce costs by unifying other public power systems and opposing these various projects and policies.

The employee wages for the MLP's four functions – Administrative & General, Energy Purchases, Distribution, and Customer Service – are projected to increase by less than 1% overall from FY16 to FY17 as a result of reducing a full-time position to part-time. As an Enterprise Fund, Other Post-Employment Benefits (OPEB), pension and medical insurance must be fully funded by the MLP. Based on the most recent valuation, the MLP expects to have fully funded its OPEB liability by FY22. Employee benefits will increase 1.5% in FY17, as increases in health insurance and retirement contributions are partially offset by the elimination of a full-time position.

Capital Expenditures

The MLP's FY17 capital work plan is \$764,000 less than the estimate provided at the 2015 ATM, and is the lowest capital request in the past six years. The MLP tries to complete each year's capital projects with little or no carryover to the next fiscal year. However, in FY16 two approved capital projects were deferred to allow the MLP to complete the 48-node Verizon Wireless DAS installation by December 31, 2015. The two deferred projects, Walnut Street Reconstruction (\$338,600, 2,325 hours) and Albion-Woodcliff Reconstruction (\$328,800, 2,450 hours) will be completed in FY17.

Capital Budget	FY15	FY16	FY17
System Improvements	\$1,200,400	\$814,300	\$888,000
Upgrade Transformers	317,300	317,300	317,300
Overhead	237,600	297,600	127,500
Underground	127,500	127,500	127,500
Customer Related Work	307,500	405,000	405,000
Provide 400/600 AMP Service	258,400	258,400	258,400
Replace Vehicles	160,000	250,000	250,000
Maintain General Plant	40,000	40,000	40,000
Improve Technology/Other Projects	244,500	280,000	30,000
Street Lights	188,700	71,800	71,800
Total Capital Budget	<u>\$3,081,900</u>	<u>\$2,861,900</u>	<u>\$2,515,500</u>

The MLP continues to place the highest priority on providing reliable electric service to Wellesley residents and businesses. Although reliability is difficult to measure, it is clear based on reported power outages during tropical storms Sandy and Irene (as well as the February 2015 blizzard), that Wellesley incurs far fewer power interruptions and service is restored much faster when outages do occur when compared with the electric utilities of our neighboring towns.

Outlook

The MLP is well positioned to provide reliable electric service into the future with a well-maintained infrastructure, net plant assets of \$60.2 million and no debt. Equally important, the MLP has been proactive in adopting an energy procurement policy that reduces market risks and price volatility by hedging a greater percentage of its wholesale electricity requirements. There are, however, increased operating costs on the horizon, all of which are beyond the MLP's control. As detailed

earlier in this report, transmission costs have more than tripled since FY07 and ISO-NE's policies will ensure this upward trend continues. Based on FCM prices established by ISO-NE, all New England electric utilities will experience a 240% increase in FCM costs from 2016 to 2018. This projected increase is primarily driven by Footprint Power's conversion of the Salem Harbor Plant to natural gas and the "rest of the pool" FCM charge increases to \$7.00/per kilowatt-month; Wellesley's annual capacity costs will exceed \$9.0 million. Transmission and FCM charges are regulated by ISO-NE, and all New England electric utilities will be required to pass these costs onto their customers.

The MLP continues to look for ways to reduce its costs. Since 1996, its workforce has been reduced from 46 employees to 30. Despite this workforce reduction, the MLP has expanded revenues by undertaking non-operating projects such as MassDevelopment-Devens, dark fiber leases⁴ and pole-mounted antennas for improved cellular communications. Since 2007, the MLP has installed and maintained a proprietary DAS network for T-Mobile. The DAS network provides wireless service to residents and businesses without the need to install large cell towers. As stated earlier, the MLP completed a 48-node, DAS network for Verizon Wireless in December 2015. This network provides cellular coverage to the center and south side of Route 9. The MLP hopes to install a similar-size DAS network on the north side for a second major carrier. Since ATC designs DAS to accommodate multiple carriers, the MLP expects to have more than one carrier at each node location. To date, as with all non-operating profits, net income from DAS will be used to offset future increases in electric rates and/or fund energy conservation initiatives for MLP customers.

Based on the most recent *Five-Year Financial Forecast*, the MLP does not expect to incur costs for any major capital projects until FY19. The overall good condition of the distribution infrastructure along with a significantly hedged power supply portfolio should ensure Wellesley's electric rates remain among the lowest in New England for the foreseeable future.

Advisory believes that the MLP's operating and capital budgets are appropriate and that the MLP has taken a prudent and proactive approach to managing its costs. The MLP has continued to gain economic efficiencies while facing an uncertain power market in the upcoming years. Advisory is also pleased that the MLP continues to look for non-operating revenue opportunities, including the new partnership with American Tower Corporation to bring a Distributed Antenna System to Wellesley, which should have the added benefit of improving the Town's cell phone service.

Advisory recommends favorable action, 13 to 0.

⁴ A dark fiber is an unused optical fiber, typically installed as extra capacity when developing fiber networks to provide for future expansion and/or network redundancy. Electric utilities have routinely added additional fibers that they then make available for lease to other carriers.

ARTICLE 14. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Board of Public Works for the purposes of operating and managing the Water Program, or to take any other action in relation thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Water Enterprise Fund's ("Water Fund") FY17 receipts and cash on hand as of June 30, 2016, for payment of the Water Division operating and capital expenditures in FY17, provided that the total amount of expenditures in FY17 shall not exceed \$12,316,240.

Water Enterprise Fund	FY16	FY17	\$ Change	% Change
Sources of Funds				
Water Fund Receipts				
Water Use Charges	\$5,435,741	\$5,615,439	179,698	3.3%
Non-Operating Income	310,000	310,000		0.0%
Non-Operating Contribution to Capital	40,000	40,000		0.0%
Loan Proceeds	350,000	4,450,000	4,100,000	1171.4%
Total Receipts	\$6,135,741	\$10,415,439	\$4,279,698	69.8%
Depreciation	950,000	875,000	\$(75,000)	-7.9%
Retained Earnings	535,699	1,025,801	(490,102)	91.5%
Total Sources of Funds	<u>\$7,621,440</u>	<u>\$12,316,240</u>	<u>\$4,694,800</u>	<u>61.6%</u>
Uses of Funds				
Salaries	\$1,753,962	\$1,792,575	\$38,613	2.2%
Expenses				
MWRA Water	825,000	1,225,000	\$400,000	48.5%
Health Insurance/Retirement/Risk Management	596,196	554,304	(41,892)	-7.0%
All Other Operating Expenses	1,261,350	1,305,775	44,425	3.5%
Subtotal - Expenses	\$2,682,546	\$3,085,079	\$402,533	15.0%
OPEB (Other post-employment benefits)	112,577	110,307	(2,270)	-2.0%
Depreciation	950,000	875,000	(75,000)	-7.9%
Interest Expense	118,600	109,525	(9,075)	-7.7%
Total Personal Services and Expenses	\$5,617,685	\$5,972,486	\$354,801	6.3%
Non-Operating Expenses	320,000	320,000	-	0.0%
Capital Outlay	707,000	4,940,000	4,233,000	598.7%
Non-Operating Capital Expenditures	40,000	40,000	-	0.0%
Debt	504,585	487,889	(16,696)	-3.3%
Emergency Reserve	432,170	555,865	123,695	28.6%
Total Uses of Funds	<u>\$7,621,440</u>	<u>\$12,316,240</u>	<u>\$4,694,800</u>	<u>61.6%</u>

Overview

The Water Division provides water supply, storage and distribution to residential, commercial and institutional customers. The Town's water supply system includes wells, pumping stations, treatment facilities and a distribution system with two underground reservoirs. Water is supplied primarily from Town wells supplemented by the Massachusetts Water Resources Authority (MWRA). The principal expenses of the Water Division are for the maintenance and operation of the Town wells and distribution system, as well as for the purchase of supplemental water from the MWRA. In general, water purchased from the MWRA is more expensive than water produced from Town wells. The expenses of the Water Division are funded through the Water Fund, which is "non-tax impact." Revenues are received from rates charged to users. The budget is designed to break-even on a cash flow basis in a "moderate" water usage year. Water usage is subject to unpredictable, weather-related variation, which can affect revenues and expenses. To offset this variability, the Water Division budget includes a substantial contingency. Overall, cash and equivalents in the Water Fund at the end of FY17 are projected to be \$2.48 million. Interest earned goes to the Town's General Fund.

Sources of Funds

Total receipts in FY17 from rate-payers are projected to be \$5.615 million. This revenue is based on an estimated annual usage of 1.089 million CCF (or 815 million gallons) of Town water. The BPW has not yet set water rates for FY17; the projected revenue assumes a 4% increase effective July 1, 2016.

Uses of Funds

The "Total Personal Services and Expenses" line in the Sources and Uses chart on the previous page shows that total operating expenses for FY17 are projected to be \$5,972,486, an increase of \$354,801 (or 6.3%) from the FY16 operating budget. Personal service costs are projected to be \$1,792,575, an increase of \$38,613 (2.2%) from FY16 costs which is consistent with expected FY17 pay increases for the Series 40/50/60 and the union employees; benefits and insurance costs are projected to decrease by 7.0%. Expenses are increasing by 15%, primarily due to MWRA water purchases.¹

Capital Budget

The Board of Public Works projects capital outlays of \$4,940,000 in FY17, substantially higher than the previous fiscal year's capital spending, principally driven by the replacement of the entire network of remote-read water meters for a cost of \$4.1 million (see Article 17, under which BPW seeks authority to borrow for this project). The FY17 capital program also includes \$50,000 for Well Cleaning; \$100,000 for water treatment plant upgrades; \$400,000 for water distribution system improvements; \$70,000 for hydrant replacements; \$40,000 for meter maintenance; \$75,000 for equipment replacement; \$50,000 for building maintenance; and \$15,000 for Geographic Information System (GIS) mapping and modeling.

Outlook

The BPW expects that expenses of the Water Division will continue to increase in future years, primarily because of expected increases in MWRA rates. The Water Division is continuing a number of steps to improve local well yields to reduce the Town's reliance on MWRA water. Advisory believes the operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 13 to 0.

¹ Since FY10, the percentage of water sourced from local wells has increased from 67% to 80% as a result of recharging existing wells and adding a new well in FY15.

ARTICLE 15. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Board of Public Works for the purposes of operating and managing the Sewer Program, or to take any other action in relation thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Sewer Enterprise Fund's ("Sewer Fund") FY17 receipts and cash on hand as of June 30, 2016, for payment of the Sewer Division operating and capital expenditures in FY17, provided that the total amount of expenditures in FY17 shall not exceed \$9,132,149.

Sewer Enterprise Fund	FY16	FY17	\$ Change	% Change
Sources of Funds				
Sewer Fund Receipts				
Sewer Charges	\$7,760,235	\$7,760,235	\$0	0.0%
Non-Operating Income	50,000	50,000	-	0.0%
Grant/Loan Proceeds	328,711	312,182	(16,529)	-5.0%
Total Receipts	\$8,138,946	\$8,122,417	\$(16,529)	-0.2%
Depreciation	404,600	427,000	22,400	5.5%
Retained Earnings	13,976	582,732	568,756	4069.5%
Total Sources of Funds	<u>\$8,557,522</u>	<u>\$9,132,149</u>	<u>\$574,627</u>	6.7%
Uses of Funds				
Salaries	\$793,549	\$809,404	\$15,855	2.0%
Expenses				
MWRA Sewer	5,648,698	5,563,328	-85,370	-1.5%
Health Insurance/Retirement/Risk Management	283,470	287,382	3,912	1.4%
All Other Operating Expenses	306,553	295,704	-10,849	(10,849)%
Subtotal - Expenses	\$6,238,721	\$6,146,414	\$(92,307)	-1.5%
OPEB (Other post-employment benefits)	48,247	47,275	(972)	-2.0%
Depreciation	404,600	427,000	22,400	5.5%
Interest Expense	80,900	75,725	(5,175)	-6.4%
Total Personal Services and Expenses	\$7,566,017	\$7,505,818	\$(60,199)	-0.8%
Non-Operating Expenses	50,000	50,000	-	0.0%
Capital Outlay	135,000	840,000	(705,000)	522.2%
Debt	288,997	265,023	(23,974)	-8.3%
Emergency Reserve	517,508	471,308	(46,200)	-8.9%
Total Uses of Funds	<u>\$8,557,522</u>	<u>\$9,132,149</u>	<u>\$574,627</u>	6.7%

Overview

The Sewer Division provides for the construction, operation, and maintenance of the Town's sanitary sewer system including trunks, force mains and laterals and pumping and lift stations. Sewage is sent to the Massachusetts Water Resources Authority (MWRA) for treatment at the Deer Island Wastewater Treatment Plant. MWRA charges represent 75% of the Sewer Division's expenses.

The expenses of the Sewer Division are funded through the Town's Sewer Enterprise Fund, which is non-tax impact. Revenues are received through rates charged to users. Customer charges are based on indoor water use, which is subject to variation. To offset the resulting variability in revenue, the Sewer Division budget includes a substantial contingency. Interest earned goes to the Town's General Fund. Overall, cash and equivalents in the Sewer Fund at the end of FY16 are projected to be \$1.41 million. Interest earned goes to the Town's General Fund.

Sources of Funds

Total receipts in FY17 are projected to be \$8,122,417. This revenue is based on a projected usage of 809,700 CCF (or 605 million gallons) in FY17, even with FY16 levels. The BPW has not yet set sewer rates for FY17 but the projected revenue assumes a 6% rate increase as of July 1, 2016.

Uses of Funds

Total Personal Services and Expenses shows that operating expenses are projected to be \$7,505,818 in FY17, which is a decrease of \$60,199 or -0.8% compared to FY16. This decrease is driven primarily by an \$85,370 MWRA charge decrease offset by a \$22,400 increase in depreciation charges expected in FY17. Non-MWRA operating costs, including health insurance and retirement expenditures decrease \$13,084 while salaries are projected to be 2.0% higher in FY17 due to contractual and step increases.

MWRA charges constitute approximately 70% of overall operating expenses. The projected MWRA charges are based on information the BPW has received from the MWRA Advisory Board and are subject to change.

Capital Budget

Capital outlays for FY17 are projected to be \$840,000, an increase of \$705,000 from FY16 as major capital expenditures were deferred in FY16. The FY17 capital program includes \$320,000 for Sewer System and Manhole Rehabilitation; \$500,000 for ejector station improvements; \$10,000 for building maintenance; and \$10,000 for GIS system mapping and modeling.

Outlook

The BPW expects that MWRA charges will continue to increase in future years, as the MWRA faces increasing expenditures for the rehabilitation of the Deer Island Treatment Plant and other MWRA infrastructure. These increased charges will result in periodic sewer rate increases. Advisory believes the operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 13 to 0.

ARTICLE 16. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works for water and/or sewer line rehabilitation; and for any equipment or services connected therewith; or take any other action in relation thereto.

(Board of Public Works)

This Motion seeks authorization for the Sewer Fund to borrow up to \$279,079 from the Massachusetts Water Resources Authority (MWRA). The borrowing would have no tax impact to the Town.

The Massachusetts Water Resources Authority (MWRA) Sewer Infiltration/Inflow Local Financial Assistance Program provides a combination of grants and interest-free loans for sewer rehabilitation work. The Town of Wellesley is eligible to receive grants and loans under the MWRA's Infiltration/Inflow financing program. The grant funding is available after the loan funding is expended. The loan is interest-free and to be repaid over five years. Actual borrowing takes place in several stages, to coincide with the work schedule. The borrowing would have no tax impact to the Town.

Funds from these MWRA loans and grants will be used for a multi-year sewer line rehabilitation project to reduce infiltration and inflow into the Town's sewer lines. Infiltration is water that seeps into the sewer lines due to cracks or unsealed joints; inflow is water that enters the sewer lines through direct connections (such as illegal sump pumps). Currently, infiltration/inflow is a major contributor to the Town's sewerage flow, upon which annual sewer charges from the MWRA are based.

Town Meeting has previously approved a total of \$2,474,255 of MWRA Sewer Infiltration/Inflow borrowing. The proposed borrowing from this authorization plus the earlier borrowings qualify the Town for a total of \$2,493,782 in grant funding. Funds from the borrowing under this Article will be used after FY16, as the Sewer Fund in FY16 is using the proceeds of earlier borrowings.

The amount to be borrowed this year is based on sewer rehabilitation work completed from FY13 through FY16. The total amount of the work completed is \$507,416, with 45% of this amount reimbursed through a MWRA grant (\$228,337), and the remaining 55% is reimbursed through an MWRA interest-free loan (\$279,079). Note that the percentage split between that funded through the MWRA grant and the MWRA interest-free loan varies from year to year.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 14 to 0.

ARTICLE 17. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works, for the cost for water system improvements including construction, engineering, procurement, permitting, inspection and contract administration for the replacement or retrofitting of water meters; for any other equipment or services connected therewith; or take any other action in relation thereto.

(Board of Public Works)

This Motion requests Town Meeting authorization to borrow \$4,100,000 for the replacement of approximately 12,000 residential and commercial water meters throughout the Town. Because the borrowing will occur within the Water Enterprise Fund and be paid back through customer charges, this request has no tax impact to the Town.¹ The current meters were installed starting in 1998 and are reaching the end of their expected useful life, which is typically 15 to 20 years. As meters begin to fail, they present inaccurate readings or sometimes no reading at all. Replacement meters (both for indoor and outdoor metering) will be phased in over a period of three to four years.

Metering is an essential element of water use accounting, effective rate making, efficiency and conservation management, and water loss control.

The last water meter change-out provided remote read capabilities leading to several advantages for water customers. The primary benefit was greater convenience to homeowners since meter readers no longer needed to enter each house to read the meter, and homeowners no longer needed to call in missed meter readings. In addition, monthly rather than quarterly billing was implemented, providing regular, accurate monthly meter readings to improve billing accuracy and helping to identify leaks in a more timely manner, saving customers money and avoiding unnecessary water losses.

The proposed Town-wide water meter change-out will continue those benefits and also provide new advantages available through the capabilities of proposed advanced metering infrastructure (AMI). AMI consists of advanced meters, data transmitters, data collectors, meter data management systems, leak detection tools, customer information portals, and analytical packages. New features will allow the DPW to take a snapshot of the water distribution system at any given point in time, giving a complete image of water consumption. This will allow the DPW to look at inflows and outflows, for example, and perform comparative analysis on the distribution system, which will allow quicker identification of leaks and water losses.

Advisory Considerations:

Advisory agrees that replacing the current water meters, which are reaching the end of their useful lifespans, with improved versions that can more readily identify leaks will minimize water losses and enable more accurate meter readings – both favorable outcomes for water customers. Advisory notes that although Town Meeting approval allows the Town to borrow \$4.1 million for this project, this borrowing will occur in phases over a number of years as meters are purchased and installed.

Passage requires a 2/3 vote.

¹ See the Water Enterprise Fund Sources and Uses in Article 14 on page 85 which includes this borrowing in “Capital Outlay” for FY17.

Advisory recommends favorable action, 14 to 0.

ARTICLE 18. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works, for the cost for engineering services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the Hunnewell Field Maintenance/Restroom Facility; or take any other action in relation thereto.

(Board of Public Works)

This Article seeks to borrow \$300,000 under the levy for the replacement of the restroom/maintenance facilities at Hunnewell Field. This project has been included in the Five Year Capital Plan since 2005 and has been deferred due to the new high school project and other planned work at Hunnewell Field.

The existing facility was constructed in 1950, and given the condition of the building, it needs to be replaced. The restroom is outdated, does not meet ADA or current building code standards and is not connected to the municipal sewer system. The restrooms have shower curtains for stall doors, and the men's restroom needs a new sink. In September 2008, emergency repairs were needed for several holes in the roof, plus the wall around the women's room door has failed. The restroom facility and two separate maintenance storage containers will be replaced with new restroom facilities and a consolidated maintenance structure.

The new restroom facilities will be ADA accessible, meet all applicable building code requirements, and be connected to the municipal sewer system. The cost of the project also includes renovating areas of Hunnewell Field that will be disturbed during construction, removal of the existing septic system, and providing portable toilets during construction. The new building will have a slightly bigger footprint.

Current Building:

- Built in 1950 is 18' x 35' = 630 square feet
- Cesspool last pumped out in 2002
- On playground land – under Natural Resources Commission (NRC) jurisdiction

Proposed Building:

- Bathrooms and Storage 23' x 29' = 670 square feet total
- Women's Room: 3 toilets and 2 lavatories
- Men's Room: 2 toilets, 1 urinal and 2 lavatories
- 220 square feet of storage

Both a modular building and a stick frame building were considered. It was decided that a modular type building would be more durable. One of the benefits to the modular construction is that the building can be delivered to the site and set directly on the concrete foundations, minimizing the time of actual construction on-site. Cost wise there could potentially be some minimal cost savings with the stick frame type structure, but it is believed the modular building would be more durable and a better choice for the Town. Portable toilets were not considered for the following reasons: 1) the NRC has not been in favor of using portable toilets on their

property (the NRC will consider units on a case by case basis but typically requires that they be placed on a paved surface, such as a parking lot or a permanent concrete pad, and would not be in favor of locating the units in a place where the servicing truck would have to travel across a grass area or field); 2) concerns over vandalism (tipping structures); 3) the proposed facility includes storage for field maintenance equipment and supplies; and 4) the current structure uses a cesspool and the proposed project will decommission and fill the cesspool and connect the structure to the Town's sewer system.

The Playing Field Task Force recommends this project: the restroom services one of the Town's largest activity recreation facilities, including three baseball fields, two softball fields, tennis courts, basketball courts, playgrounds, plus night-time activity on two lighted fields and tennis courts. It is used primarily by high school sports teams and youth sports. The Permanent Building Committee (PBC) voted to allow the Department of Public Works (DPW) to supervise the construction of this project.

Advisory Considerations

Many Advisory members questioned the cost of the project. The DPW explained that they looked at replacing the building in six or seven different ways, and each scenario resulted in a cost close to \$300,000. The main item driving up the cost is the cost of the fixtures. Since youth sports are the second biggest users of these fields (after the high school), Advisory members asked whether the youth sports groups could contribute to the cost. Currently, each player in youth sports contributes a \$30 fee--\$15 goes to a fund to replace the turf carpet at Sprague and \$15 goes to field maintenance. Advisory asked if using Community Preservation Committee (CPC) funds had been explored. They had not. At this point, it was decided that since it was late in the process and the project had already been included in the under the levy borrowing that CPC funds would not be sought. Advisory hopes that when future projects like this are being planned that CPC funding is considered earlier in the process. Advisory also inquired about the maintenance plan for this building and asked if the Facilities Maintenance Department (FMD) should manage the building going forward. The DPW will follow whatever preventive maintenance the manufacturer recommends. The DPW currently spends about five hours per week cleaning the restroom from April to November, plus an additional hour on the weekends through the summer. It is expected that the new facility will require at least as much effort, roughly 200 hours/year. DPW did discuss maintenance with FMD and at this point the building does not fit within FMD's program. It will be discussed again in the future. Lastly, Advisory asked about security. Security for the new building will be similar to what is in place now – a combination of a keypad and a deadbolt. The keypad numbers will be given to the sports leagues to share with participants.

This project has been deferred for a number of years and a majority of Advisory agrees that it is a project that needs to be completed. A few members are not in favor of the project due to the cost.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 10 to 3.

ARTICLE 19. To see if the Town will vote to hear and act on the report of the Community Preservation Committee on the Fiscal Year 2017 Community Preservation Budget, to appropriate or reserve for future appropriation, from FY 2017 Community Preservation Fund annual revenues and reserves, sums of money to meet the administrative expenses and all other necessary and proper expenses of the Community Preservation Committee for the Fiscal Year beginning July 1, 2016, to make debt service payments, and to undertake community preservation projects as recommended by the Community Preservation Committee, or to take any other action in relation thereto.

(Community Preservation Committee)

This Article contains five Motions which seek Town Meeting approval to make the appropriations from the Community Preservation Fund recommended by the Community Preservation Committee (CPC) as described in the *Report of the Community Preservation Committee* ("Report") on page 148. Please refer to the Report for a more complete understanding of the Community Preservation Act (CPA) and the proposals CPC recommends for approval.

Based on estimated FY17 revenues of \$1,5177,057, the CPC requests the following:

- Motion 1: An appropriation of \$65,000 for administrative purposes and an appropriation of \$155,000 to both the Historical Resources and the Community Housing designated reserve funds;
- Motion 2: An appropriation of \$20,400 from the Historical Resources Reserve for the processing and preservation of family collections;
- Motion 3: An appropriation of \$20,000 from the Historical Resources Reserve for the Wellesley Planning Board to update historic district guidelines;
- Motion 4: An appropriation of \$60,000 from the undesignated Community Preservation Fund to carry out the statutorily-required Comprehensive Plan and the recently endorsed town-wide Strategic Plan;
- Motion 5: An appropriation of \$1,000,000 from the undesignated Community Preservation Fund to help fund the construction phase of the rehabilitation of the Hunnewell Field track and playing field.

Favorable action under these Motions would have no tax impact but would reduce the balance in the Community Preservation Fund available for future projects. The CPA Financial Plan for FY17 also includes the estimated yearly \$550,000 CPC debt service payment on the North 40 appropriation of \$10 million approved by STM in January 2015 and by Town residents on March 3, 2015. See the *January 2015 STM Advisory Report* on pages 5-6 and 15-16 for more details about this appropriation.

Assuming the CPC-approved appropriations recommended in the Motions in this Article, totaling \$1,475,400, are approved by Town Meeting, the net available fund balance as of June 30, 2017 is projected to be approximately \$3,339,997.

ARTICLE 19, MOTION 1: Administrative Expenses and Appropriations to Reserves

1. Administrative Expenses. The CPA permits the appropriation of up to 5% of estimated annual revenues in the Community Preservation Fund for administrative purposes. The CPC has requested an appropriation of \$65,000 (4.3% of estimated FY17 revenues) for this purpose. The CPC uses these funds for consultants and other support services to better define, shape, and analyze potential projects. Any funds that are not expended are returned to the Community

Preservation Fund.

2. Appropriations to Designated Reserves. In each fiscal year, the CPA requires the Town to appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues in the Community Preservation Fund for each of three designated purposes: Historic Resources, Open Space and Community Housing. Based on the estimated FY17 annual revenues of \$1,517,057, the CPC has requested that \$155,000 (slightly more than 10%) from the Community Preservation Fund be reserved for Historic Resources and Community Housing for a total \$310,000. The required appropriation to Open Space is being satisfied by the annual debt service payment for the North 40. FY17's debt services payment is \$548,944.

Advisory recommends favorable action, 14 to 0.

ARTICLE 19, MOTION 2: Wellesley Historical Society Appropriation

The CPC recommends that \$20,400 be appropriated from balances on hand in the Historical Resources Reserve as of June 30, 2016 for the processing and preservation of a number of family and individual collections from some of Wellesley's most notable residents. These collections contain manuscripts, photographs, personal correspondence and diaries from Katherine Lee Bates, William Morton, the Hunnewell family and many others. The requested funds will allow the collections to be organized, labeled and preserved, with a Finding Aid created for each individual and family collection and posted on the Wellesley Historical Society website as well as submitted to the Library of Congress/World Cat search engine.

Advisory recommends favorable action, 14 to 0.

ARTICLE 19, MOTION 3: Planning Board Appropriation

The CPC recommends that \$20,000 be appropriated from balances on hand in the Historical Resources Reserve as of June 30, 2016 for the review and update of Wellesley's historic district guidelines. The goal of this project is to provide guidelines that will serve as the basis for the review process and a stronger foundation for the decision-making by the Historic District Commission. In addition, more fully defined guidelines will serve as a resource for Wellesley residents looking to undertake historically appropriate renovations to their homes or businesses.

Advisory recommends favorable action, 14 to 0.

ARTICLE 19, MOTION 4: Planning Board and Board of Selectmen Appropriation

The CPC recommends that \$60,000 be appropriated from balances on hand in the undesignated Community Preservation Fund as of June 30, 2016 for carrying out the statutorily-required Comprehensive Plan and the recently endorsed town-wide Strategic Plan. The goals of the unified plan as proposed will establish a vision for the future of Wellesley in terms of physical development and preservation as well as by way of setting priorities for decision-making and financial management. Recognizing that the Comprehensive Plan and Strategic Plan each require data collection, public input and establishment of goals and objectives, the Planning Board and Board of Selectmen have joined forces to develop a consistent, unified visionary plan for the Town.

The total budget for developing the plan is \$150,000; \$30,000 for the Comprehensive Plan was appropriated to the Planning Board Capital Budget at the 2015 Annual Town Meeting. A capital budget request for the remaining \$60,000 will be made at the 2016 Annual Town Meeting. It is anticipated that a consultant will be engaged this summer to begin work with the Town constituencies to develop the Unified Plan.

Advisory recommends favorable action, 14 to 0.

ARTICLE 19, MOTION 5: Playing Fields Task Force (PFTF) Appropriation

The CPC recommends that \$1,000,000 be appropriated from balances on hand in the undesignated Community Preservation Fund as of June 30, 2016 for the construction phase of the rehabilitation of the track and playing field at Hunnewell Field.¹ The goal of the project is to widen and replace the track, which is currently in danger of failing, and to widen and replace the playing field, which cannot be fully utilized due to its poor condition and insufficient size.

This request would fund approximately one third of the construction with an additional \$1 million coming from general Town funds (under the levy, if approved) and approximately \$1 million from private fund-raising (already completed). This project represents the joint efforts of the Playing Fields Task Force, the School Committee, the Natural Resources Commission and the Department of Public Works, as well as the successful private fund-raising efforts of a volunteer committee. At 2015 ATM, a \$166,000 appropriation of CPA funds was approved for the design and permitting phase of this project.

The need for playing fields in Town has been well documented and has been discussed at length for over a decade, most recently in the "Report of the Recreation Commission and the Playing Fields Task Force" in the *October 2014 STM Advisory Report* on pages 74-79. The field at the high school is a resource that is largely underutilized, forcing a greater intensity of use of the Sprague fields.² The ability to achieve greater utilization of the field at the high school will also reduce the after school demand on Sprague Fields by the high school sports teams, thereby addressing student safety concerns at Sprague by reducing the number of high school drivers entering the Sprague parking area as the elementary school students are exiting the school. The track has deteriorated to the point where soon it will not meet Massachusetts Interscholastic Athletic Association (MIAA) standards. The PFTF conducted a study of Town athletic fields in 2014 and concluded that irrespective of what happens at the North 40 or 900 Worcester, rehabilitation of the Hunnewell Field track and field should be a priority for the Town.

The total cost of the rehabilitation of the track and field is \$3,057,600. If approved, the construction will start this summer and be completed in September 2017.

Advisory is supportive of this project and realizes the importance of completing the rehabilitation. Advisory commends the PFTF for their leadership and the School Committee, the Natural Resources Commission and the Department of Public Works for their collaboration on this project. Advisory would also like to commend the very successful private fund-raising campaign, which was a key element in making this project possible.

¹ The track and field is located on Town parkland under the jurisdiction of the NRC and maintained by the DPW using funds from the DPW budget and the PFTF field user fee account.

² Currently, Hunnewell Field is unsuitable for sustained use for football practices, WHS lacrosse games, and WHS soccer or field hockey for either practices or games because of the field's size and condition.

Advisory recommends favorable action, 14 to 0.

ARTICLE 20. To see if the Town will vote to raise and appropriate, transfer from available funds, including Community Preservation Funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works (a) for the preservation, construction, reconstruction and/or rehabilitation of the track and field, (b) for appurtenant structures and site enhancements, and (c) for professional or other services in connection therewith; or take any other action in relation thereto.

**(Natural Resources Commission/Recreation Commission/
School Committee/Board of Public Works)**

The Natural Resources Commission (NRC), the Recreation Commission, the School Committee (SC), and the Board of Public Works (BPW) seek Town Meeting approval to appropriate \$1,057,600 to be expended under the Department of Public Works (DPW) for the preservation, construction, reconstruction, and/or rehabilitation of the Hunnewell Track and Field.

The Hunnewell Track and Field includes a grass field that currently accommodates the WHS Football Team, Youth Lacrosse Teams, the WHS Track Team, and Youth Track Teams. The size of the field cannot accommodate the WHS Lacrosse Team, any soccer team, or any field hockey team. In addition, to maintain adequate conditions of the grass field, it cannot be “over used” or used in inclement weather. Widening the field and installing a synthetic turf field will provide much needed additional rectangular field utilization capacity in Wellesley. The track has deteriorated to the point where soon it will not meet Massachusetts Interscholastic Athletic Association (MIAA) standards, which means it could be dangerous for athletes to use the track, plus Wellesley will no longer be able to host track meets. Numerous high school teams currently practice and host games at the Sprague Elementary School Fields, which has raised traffic and safety concerns with the high school drivers entering the Sprague parking area as the elementary school students are exiting the school.

History

The Playing Fields Task Force is an Advisory Committee of the following Town Boards: Board of Selectmen (BOS), Recreation Commission, Board of Public Works (BPW), Natural Resources Commission (NRC), and School Committee (SC); it also includes representation from WHS Athletic Department Staff, Wellesley Little League, Wellesley Softball, Wellesley United Soccer, Wellesley Youth Lacrosse, Adult Softball, Wellesley Youth Football, and Wellesley Youth Hockey. The purpose of the Playing Fields Task Force is to provide guidance to appropriate Boards, Town Departments and user groups regarding configuration, use, maintenance and improvement of active recreational playing fields.

In 2003, the Town engaged Geller Sport to evaluate the Hunnewell parkland; the primary recommendation was to rehabilitate Hunnewell Track and Field. From 2003 to 2008, environmental issues at the Sprague Field forced that field to become the priority of the Town. The High School Track and Field Task Force was created in 2012 to move the Hunnewell Field project forward. The task force reconfirmed a rectangular field shortage in Town; identified the underutilized field at Hunnewell; recommended widening the track and field and installing a synthetic turf; and developed a preliminary plan.

In 2014, the NRC and the North 40 Committee asked the Playing Fields Task Force for a prioritization of field needs; the primary recommendation was to rehabilitate Hunnewell Track

and Field. (Please see the “Report of the Recreation Commission and the Playing Fields Task Force” in the *October 2014 STM Advisory Report*, pages 74-79, for more details on the status and availability of athletic fields in Wellesley, as well as recommendations on current and future needs.) In 2015, the Community Preservation Committee (CPC) funded the Schematic Design and Permitting phase of the project; the project team developed a site plan and began the permitting process.

Primary Project Goals

- Reconfigure the track and field to increase field utilization capacity and add scheduling flexibility due to the shortage of rectangular playing fields in Wellesley.
- Utilize a synthetic turf field surface to improve the durability of the field and allow for use in inclement weather conditions that are common in New England.
- Provide landscaping that incorporates many of the existing mature trees, improves screening and aesthetically fits in with the surrounding landscape, residential neighborhood and Fuller Brook area.
- Add a new sound system that will minimize sound spillover into the neighborhood.
- Better utilize a field that is in close proximity to the high school with access to the high school locker room facilities and improve after school traffic and safety issues at Sprague school.
- Rehabilitate the track and field to improve safety and usability issues arising from the poor condition of both.
- Provide a plan that improves pedestrian safety around the approaches to the track and field and is designed to encourage use of the high school parking lot and eliminate on-street parking.

Funding Plan

The estimated cost of the project is \$3,057,600. The funding of the project follows the successful approach that was used to fund Sprague Field: one third of the funds will be provided by Community Preservation Act (CPA) funds (see Article 19); one third of the funds will be provided by Town General Funds (this Article); and one third of the funds will be provided by private sources. The final breakdown for this project is CPC appropriating \$1,000,000 through Article 19, private fundraising gifted to the town on March 7, 2016 of \$1,000,000, and the request in this Article for \$1,057,600. Notably, more than 900 donors contributed to the private fundraising efforts.

If Town Meeting approves this Article, then the construction of the new track and field will begin in early June and will be completed by early/mid-September.

Advisory Considerations

The Advisory Committee commends the Playing Fields Task Force on spearheading this project with a myriad of constituencies, boards, committees, and volunteers. The Advisory Committee also commends the Natural Resources Commission, the Recreation Commission, the School Committee, the Board of Public Works, the Community Preservation Committee, plus the volunteers who have worked for the Wellesley Field Fund and the Connor Darcey Fund for working collaboratively on this proposal.

This project will help meet the growing demand for usable field space, provide a central location for many high school sports, and will increase safety at the Sprague Elementary School parking area at dismissal as well as reduce cross-town traffic. Close to 3,700 children in Wellesley participate in Track & Field, Soccer, Lacrosse, Field Hockey, or Football--all sports that will

directly benefit from this project. There are also many adult members of the community who use the Hunnewell Track and Field.

Advisory members are pleased that a new sound system will help to keep noise within the stadium and that the new landscaping and sidewalks will improve pedestrian safety. Hosting high school games at the new field will allow the WHS Athletic Department to generate more revenue for the high school athletic programs. For safety reasons, the conditions of the track have to be addressed soon, so Advisory is pleased that, if approved, the combined track and field project will be completed by September.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 14 to 0.

ARTICLE 21. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Permanent Building Committee, for the construction, reconstruction, remodeling, rehabilitation and/or modernization of the roof of the Department of Public Works Park/Highway Garage; or take any other action in relation thereto.

(Board of Public Works)

This Article seeks to borrow \$700,000 to install a new roof on the DPW's Park/Highway Building. An inspection of the entire roof system was completed in FY11 to identify deficiencies. Initial design recommendations for the replacement of the roof were completed in FY12, and full design of the project was completed in FY14, once the recently completed HVAC improvements were finished.

The Park/Highway Building is the largest building on the DPW property. Functions/rooms in the building include: large vehicle storage garage, wash bay, office areas, Park and Tree conference room, sign shop/stock room, lunch room, men's and women's restrooms, fleet repair area, boiler room, carpenter shop, and a small engine/welding fleet repair area.

Built in 1947, with a small garage bay added in 1990, the building consists of approximately 35,000 square feet. The Park/Highway Building's roof was last replaced in 1986 and is at the end of its useful life. The roof requires regular patching to address recurring leaks, and there are visible signs of deterioration, including surface cracking and air bubbles at the fully adhered roof, membrane tearing along the perimeter of the entire roof, uneven distribution of the ballast, poor drainage patterns, a hole in the expansion joint assembly, and separation of the closure strip. The silicone sealant at the roof scuttle is losing its pliability and water is entering through the base of the skylights.

Park and Highway personnel spend much of their day outside in all forms of weather. This building is in fact their home base and office. This project is consistent with the Town's commitment to provide safe and comfortable working conditions for all its Town-wide employees. Additionally, although not currently falling under the Facilities Maintenance Department's purview, this project is consistent with maximizing the service life of the Town's facilities and protecting valuable Town assets through regular preventative maintenance. The project duration is expected to be 150 calendar days. The anticipated dates as stated in the bid

documents call for construction to start on May 2, substantial completion on August 1, and Final Completion on August 19, 2016.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 14 to 0.

ARTICLE 22. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the School Committee and Board of Selectmen, for a planning and feasibility study of the renovation, reconstruction, addition, consolidation or replacement of the Hunnewell Elementary School, located at 28 Cameron Street, the Upham Elementary School, located at 35 Wynnewood Road, and the John D. Hardy Elementary School, located at 293 Weston Road, all in Wellesley; or take any other action in relation thereto.

(School Committee/Board of Selectmen)

This Article requests the appropriation of \$200,000 from Free Cash to the School Committee (SC) and the Board of Selectmen (BOS) to fund further traffic and enrollment studies related to the renovations, reconstructions, or consolidations of the Hardy, Hunnewell, and Upham Elementary Schools (HHU).

Past Requests

At the Special Town Meeting in December of 2013, under Article 7, Motion 2, \$90,000 was appropriated to the School Committee/Board of Selectmen to study the future needs of the HHU schools. Please see pages 22-23 and 28 in that *Advisory Report* for a discussion of the process which led the School Facilities Committee (SFC) to conclude that “Redistricting or reconfiguration could improve but not fully address existing educational program inequities among the seven elementary schools over the next seven years.”

At the 2015 Annual Town Meeting, the School Committee/Board of Selectmen requested an additional \$50,000 to refine traffic evaluations, further Geographic Information System (GIS) enrollment analysis, and analyze the timing/sequencing of the project as a whole. This appropriation also covered the completion of the work with Symmes, Maini, & McKee Associates (SMMA), which included evaluations of construction options and community presentations. Please see pages 109-114 in that *Advisory Report* for a discussion of SMMA’s initial findings and possible solutions for HHU.

Currently, \$114,750 of the appropriated total of \$140,000 has been spent on:

- Original HHU Study work by SMMA: \$85,000
- Cost estimates for additional scenarios (four separate work orders): \$29,750

A remaining balance of \$25,250 will be carried over for use by the next HHU Committee’s activities.

Project Background

In September 2012, the School Committee appointed a School Facilities Master Plan Task Force (SFMP) to use the 2011 SMMA study (a detailed review of all school facilities except the high school) to identify short- and long-term capital needs, to prioritize the projects, and to develop a multi-year implementation and funding plan.

In June 2013, the SFC was formed and charged with the implementation of the projects associated with this master plan. In addition to planning the potential renovation, reconstruction, addition, and/or consolidation of Hardy, Hunnewell, and Upham, the other projects include the renovation of the Fiske and Schofield schools, the evaluation of the Middle School HVAC system, and the replacement of the Middle School's original windows.

With appropriated funds in December 2013, the SFC engaged SMMA to create many different construction scenarios that accounted for variations of school size, renovation versus new construction, and various consolidations. In addition to the different facility scenarios, the SFC also considered enrollment projections using 2013 Cropper GIS report and traffic studies originally used for the North 40 project, and the potential effects of different redistricting scenarios.

After its analysis of these various reports and scenarios, the SFC announced its recommendation to the School Committee and held five community presentations and Q&A sessions in the Fall of 2015. The recommendation of the SFC was to build a new Upham, renovate and expand Hunnewell, and close Hardy.

Based on the feedback during these presentations, individual letters and comments, as well as the creation of a community group, the School Committee decided to create the HHU Parent Advisory Committee. This group provided a forum for parents to investigate and discuss further the information and reports that the SFC used as the basis for their recommendation. The group included representation from all seven elementary schools, plus the PAWS program. The HHU Parent Advisory Committee met seven times between October 2015 and January 2016. By the end of the group's work, the committee was split over its recommendations. Three members supported the SFC recommendation as presented; seven would be in favor of consolidating to six schools if current enrollment forecasts are corroborated by updated enrollment studies, with additional data needed to determine which school should be closed; and four were in favor of continued work on a seven-school solution. All fifteen members wrote individual statements that were sent to the School Committee and posted on the HHU website (www.wellesleyma.gov/hhu). In addition, the HHU Parent Advisory Committee agreed upon a set of guiding principles that can be found in the Report of the School Committee and the Board of Selectmen found at the end of this *Advisory Report* on page 163.

Some of the issues that have been discussed in the variety of forums include, but are not limited to:

- What is the definition of "neighborhood schools"?
- What is the appropriate size for an elementary school?
- What are the costs of various scenarios, including multiple versions of a seven school solution?
- What are the educational advantages or disadvantages to the various scenarios?
- How is "walkability" defined?
- How much confidence is there in the enrollment figures and traffic information presented?
- What is the process for community input?

Current Request

After processing all of the SFC information, community feedback, and HHU Parent Advisory Committee feedback, the School Committee decided not to proceed at this time with a request for a feasibility study for one particular scenario. Instead, the committee is requesting an

appropriation to fund further traffic and enrollment studies as decided by a new HHU Advisory Committee. The make-up of this committee, created by the School Committee and the Board of Selectmen, would be comprised of members from the SC, BOS, staff, other Town boards, and community members. At the time of this printing, the exact composition of this new committee is still being worked out by the School Committee and Board of Selectmen. It is the hope that after these studies are completed, one scenario would be brought forward for a feasibility study. This new HHU Advisory Committee would be responsible for making the proposal to either a Fall 2016 STM or the 2017 ATM. The feasibility study, as well as subsequent design and construction, would be overseen by a School Building Committee. The SC and BOS believe the \$200,000 request is sufficient, combined with the unspent \$25,250 from previous appropriations, for this new committee to perform both enrollment and traffic studies as it sees fit to thoroughly vet and support the committee's final conclusion.

Advisory Considerations

The Advisory Committee recognizes the sensitivity of this issue, as well as the tremendous amount of work that has already gone into the project by the SFC, SC, HHU Parent Advisory Committee, and the many community members at-large. Several members are impressed with the breadth of information available on the HHU project website. Advisory also recognizes the passionate and in-depth discussion that this project has created throughout the town. Many on Advisory view the further studies as a positive step in that discussion.

However, there is concern among some Advisory members that by not going forward with the SFC proposal at this time, there will be additional costs to the project due to escalation. These members also feel that this delay puts more pressure to stretch out the use of currently inadequate facilities.

Scope of Studies: With enrollment and traffic information being major factors in an ultimate decision (and a frequent topic of discussion), Advisory appreciates the need to have the best and most accurate information. It was noted during Advisory's deliberations that a citizen presented interesting information to the School Committee that stressed the need to verify the enrollment numbers used as the foundation for any decision. One Advisory member asked how the various scenarios would affect transportation costs for the School Department, and whether the increased transportation costs would affect potential savings in the Schools' Operating Budget. Another Advisory member asked whether additional topics that have arisen in the community discussion could be studied through private fundraising. Several Advisory members stressed the importance for the new committee to examine multiple scenarios and alternative solutions that include re-examining possible use of the "North 40" and the potential needs of the PAWS School.

HHU Advisory Committee Composition: Advisory is strongly in favor of creating a new HHU Advisory Committee with substantive and equitable community representation. Advisory believes that having a diverse body, with representation from the Town and community, will help strengthen the work of the committee; furthermore, Advisory thinks that the committee's decisions will have a greater opportunity for support with a proper composition of the committee. Advisory agrees with the decision to allow the new committee to make the choices regarding the "what, who, and how" of the new studies. Advisory thinks that the new committee should provide a forum for the questions and concerns of all parties to be addressed.

Result: Advisory appreciates the difficult task ahead for this new committee, and it notes that even with improved information and continued community involvement, the strong, passionate discussion will continue. The value that all stakeholders place on having the best education for our children, the need for fiscal responsibility, and the devotion and pride that all citizens have

for what they feel makes Wellesley, *Wellesley*, are all critical elements in developing an outcome. It is the dedication to these ideals that leads Advisory to believe that the continued studies and subsequent discussion will eventually lead to a strong final proposal.

Advisory recommends favorable action, 14 to 0.

ARTICLE 23. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Permanent Building Committee, for the cost for construction, reconstruction, remodeling, rehabilitation or modernization of the Wellesley Police Station; or take any other action in relation thereto.

(Board of Selectmen)

The Board of Selectmen (BOS) asks Town Meeting to authorize borrowing a sum of money for roofing and building envelope repairs at the Wellesley Police Station (WPS). The funds are to be appropriated to the Permanent Building Committee (PBC).

Background

The Fall 2015 Special Town Meeting appropriated \$165,000 to the PBC for architectural/engineering services and the preparation of plans, specifications, and bid documents for roofing and building envelope repairs at the WPS. As previously reported in the Fall 2015 *Advisory Report*, the WPS has experienced numerous and extensive roofing problems, including water infiltration in the form of ice dam leaks, rain leaks and snow entrainment almost since it was designed and built in 1995. The Roofing and Envelope Feasibility Study summary below was originally reported in the Fall 2015 Advisory Report. It is repeated here as a reminder.

Roofing and Envelope Feasibility Study

The FMD hired Simpson, Gumpertz & Heger Inc. (SGH) in June 2015 to perform a Roofing and Envelope Feasibility Study to evaluate and analyze key elements of the existing roofing and building systems for the purpose of identifying repairs, replacement, or other improvements to these systems at the WPS.

SGH performed its on-site Roofing and Envelope Feasibility Study investigation of the WPS on 29–31 July 2015 and 3 August 2015, and observed and concluded the following in its 2 October 2015 Report:

- The roof lacks effective ventilation, and its geometry concentrates water and snow runoff along dormer sidewalls, resulting in water leaks.
- The roof lacks an effective ice barrier, and has defective waterproofing detailing at rising walls, resulting in water leaks.
- A new roof with properly designed and installed flashings and ventilation is required to stop water leakage.
- The louvers lack effective perimeter flashing, and the louver plenum is not waterproofed and drained, resulting in water leaks.
- The louver perimeter must be flashed and the plenum must be modified to be watertight and drained to stop water leakage; other modifications may also be appropriate.

- The windows meet current industry standards for air infiltration, but leak more air than a good quality new window.
- The aluminum-framed windows provide poor thermal resistance, and lack perimeter flashing and air seals, resulting in cooler interior window frame and adjacent interior finish surface temperatures. The cooler surfaces locally cool the air, which is felt by building occupants working near the windows.
- Water leaked through the windows and around the window perimeter during water testing that simulated a severe rain and wind event.
- The windows require flashing to stop perimeter air leakage and reduce the risk of perimeter water leakage. The scope of work should include new windows because the flashing work is the majority of the cost associated with the window replacement project, it is the only way to address the poor thermal performance of the windows, and the insulating glass units are near the end of their service life.
- The below-grade damp proofing is performing satisfactorily and does not require replacement. Localized wall and below-grade damp proofing repair is required where water leaks into the fitness and storage rooms.

The complete SGH Roofing and Envelope Feasibility Study can be found on the FMD's website at:

http://www.wellesleyma.gov/Pages/WellesleyMA_Facilities/Presentations/policroofandenvelop estudy.pdf.

Recommendations

In the Roofing and Envelope Feasibility Study, SGH recommends the following scope of work:

- Construct a new, vented roof over the existing sheathing. Possibly as much as 80% of existing slate tiles may be reused. Bids will include a cost estimate for re-using tiles vs. new slate tiles.
- Flash the louvers, waterproof and drain the plenums, and other air intake and louver modifications.
- Replace and flash all windows and two existing skylights.
- Locally repair the building wall and below-grade damp proofing at the fitness and storage rooms.
- Replace all exterior sealant joints. Stain all masonry joints to make new joints match existing.
- Bring elevator louvers up to code.

Construction Proposal

The total cost of the project is anticipated to be \$2,124,450 broken down as follows:

ESTIMATED CONSTRUCTION BUDGET	
Total Hard Construction	\$1,473,418
Total Architecture & Engineering	\$265,000
Total Other Professional Services	\$130,300
Total Furnishings, Fixtures & Equipment	\$55,600
Total PBC Expenses	\$7,000
Total Contingency	\$193,132
Total Construction Cost	<u>\$2,124,450</u>

Note: Bids with final pricing are due to the PBC on March 18. The base bid will be for reuse of the existing slate roof tiles as well as adding some new slate tiles. An alternate price will be provided based upon the use of all new slate. Final figures will be presented to Town Meeting for appropriation.

Advisory Considerations

Advisory recognizes the importance of repairing the WPS in a timely manner. The Wellesley Police Department provides a vital service to the community and must have a facility that not only allows efficient operation of the business of providing public safety, but also provides an appropriate and safe environment for its employees. Advisory recognizes that the conditions of the WPS will only deteriorate further if measures are not taken in a timely manner to correct the building envelope deficiencies. While the recommended roofing repairs would be completed without major disruptions to the police department's operations, the proposed window work might be somewhat disruptive, although less than previously anticipated. Advisory also considered the possible impact on Washington Street if work crews needed to park on Washington Street. According to the PBC, site workers will be required to park on the physical site. If on-street parking is needed, approval from the Town will be coordinated in advance.

It is important to note that the Town has already pursued such remedies as the law provides against the original architect and builder.

Passage requires a 2/3 vote.

Advisory will make its recommendation at or before the Annual Town Meeting.

ARTICLE 24. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Permanent Building Committee, for construction of the Tolles Parsons Center (senior center) to be located at 496 Washington Street; or take any other action in relation thereto.

(Board of Selectmen/Council on Aging)

Through this Motion, the Board of Selectmen (BOS) and the Council on Aging (COA) jointly seek an appropriation of \$7,500,000 to the Permanent Building Committee (PBC) to construct the Tolles-Parsons Center (TPC) (formerly referred to as the "Senior Center") to be located on land controlled by the Town at 494-496 Washington Street. The BOS plans to come to the 2016 ATM with bids in-hand to seek funds for the construction of the TPC. The Report of the Board of Selectmen and Council on Aging: Status of Tolles-Parsons Center which is included on page 129 provides a detailed chronology of the TPC from 2005 to the present.

Background

The momentum for the Tolles-Parsons project began in 2005 with a gift from the estate of Mary Esther "Billie" Tolles for \$825,000 to fund, construct and equip a freestanding senior center. Town Meeting supported the TPC in 2008, appropriating \$50,000, of which \$25,000 was funded by the Tolles bequest, for a feasibility study at the American Legion (AL) site at 496 Washington Street, and again in 2009 by appropriating \$600,000 for a detailed building design at this site. A Building Committee (BC) was formed, and an architectural firm and an Owner's Project Manager (OPM) were hired for the project.

After the completion of the preliminary design and a Traffic and Parking Study, potential parking constraints were identified. A plan was developed to address parking concerns. Subsequently, the BOS sought ATM approval to acquire the adjacent property at 494 Washington Street for \$1.25 million to enable more on-site parking. Town Meeting approval was limited to \$1 million to purchase the property that was insufficient for purchase. Subsequently, the Selectmen performed a complete review of alternative sites in town for the TPC, ultimately concluding that there was not a viable alternative site.

With concerns remaining about parking, the Selectmen reviewed other potential solutions:

- Off-site parking at neighboring lots;
- Use of remote parking and shuttles;
- Use of NRC land across the street for parking;
- Restricting hours to reduce parking need.

The Selectmen concluded that none of these options was viable.

In an effort to explore all alternatives, the Selectmen and the COA proceeded to review potential partnerships with the Wellesley Community Center (WCC), a privately held and managed building. The COA offices and programming are currently located in the WCC facility and the Town pays rent and custodial costs to the WCC for use of these facilities (\$129,000 budgeted for FY17)¹. The Selectmen and the COA discussed many options with the WCC Board of Directors including Town-funded renovations and private-public partnerships. Ultimately, the parties agreed that they could not reach a resolution that was satisfactory to the missions of both the COA and the WCC, and discussions were terminated. (For a more detailed chronology of options considered with the WCC, see the BOS/COA TPC Report, page 129 herein.)

With no viable alternative site, the BOS refocused efforts on 496 Washington Street. Additionally, there was newly expressed concern that the original programmatic and space needs should be updated in light of the growing numbers and diversity of the senior population. In September 2012, the BOS reviewed the work completed to date and determined that enough time had elapsed since the original programming plan was developed to warrant a new review. To do so, they appointed the Planning Committee (PC) with the following charge:

- Review demographic trends, current research on senior centers, the mission and goals of the COA, and the services and programs currently provided.

The PC found that the need for services and programming for the senior population was increasing and that the current level of service was inadequate. It proposed the development of a revised programmatic model, which would enhance and expand services and programming by creating a central location for the COA. Program delivery would be integrated with and supplemented by other Town departments in a collaborative process using multiple venues (Collaborative Model).

The BOS created a Review Committee to independently evaluate the Collaborative Model, review programming and space requirements needed to meet the current and future needs of seniors, and to assess the AL site. The Review Committee's report is included on page 140. The Committee concluded that: 1) the need for community resources for seniors will only increase over the next two decades; 2) participation and programming are increasing; and 3) the AL site is adequate. They recommended the construction of a new senior center using the Collaborative Model to leverage other Town resources.

¹ Rent and custodial costs that the Town has paid to the WCC for use of these facilities has increased 65% since 2013.

The proposal anticipated that parking needs would be addressed as follows: 34 spaces on site; 20 spaces to be added through expansion of the police station parking; and 41 public spaces on Washington Street. The Review Committee suggested mitigating parking challenges by: 1) reconfiguring the parking spaces on Washington Street to make them deeper and hence safer for drivers entering or exiting their vehicles; 2) installing a pedestrian cross walk near the site; 3) providing shuttle service to the TPC; and 4) considering giving priority to seniors for some of the off-site spaces during hours of peak use at the TPC.

At the 2013 ATM, Town Meeting approved an additional appropriation to the PBC of \$165,300 to accommodate programming and design changes, a new traffic study, parking lot design and engineering at the police station, building code review and update and revisions to the Project of Significant Impact application (PSI) to the Planning Board (PB). This sum was intended to take the project through final design, permitting, construction documents and bidding.

Due to the size of the building, the project was subject to review under the PSI process. In order for the project to move forward, a Special Permit needed to be received from the PB through the PSI process. The PSI process requires that the proponent submit a PSI application, which includes a Municipal Systems Impact Analysis, completed by the architect and engineering professionals to be reviewed by Town departments. (For a more detailed description of the PSI Process, see the BOS/COA Report on the TPC, page 129 herein.) The PBC and BOS filed their original PSI application in August of 2013 with the Planning Board. After two evenings of public hearings, the applicants failed to garner a super majority vote of 4-1 by the PB and the request for the Special Permit was not approved. The PB cited issues with traffic, parking, and pedestrian safety on Washington Street and stormwater drainage.

At the 2013 STM, the BOS requested a supplemental appropriation of \$308,855 from Free Cash to the PBC to accomplish two objectives: (1) modify and update the application for a PSI Special Permit and (2) make necessary project modifications to meet the PB's statutory standard of making "specific and material changes" in order for the PB to reconsider the application for the Special Permit.

In order to address the concerns of the PB, following Town Meeting authorization, in June 2014 the Town purchased 494 Washington Street, the property abutting the AL site. This allowed the construction of 34 additional parking spaces and eliminated the need to expand the police station parking lot across the street. Additionally, demand for on-street parking on Washington Street by TPC visitors would be expected to be greatly reduced, significantly lessening the need for special accommodations between St. Paul's Church and the TPC, particularly on days when there are large funerals at the Church or major events at the TPC.

As a result of the purchase of 494 Washington Street, design and site changes were made to the combined site, which included enhancements to the project and addressed the previous concerns of the PB. The BOS and PBC then filed an entirely new PSI application with the PB in October 2015 and the PB granted the Special Permit in December 2015. Subsequently, permitting was completed with approvals from the Design Review Board and the Zoning Board of Appeals. The PBC is currently seeking bids for the construction of the TPC and the BOS will request construction funds at the 2016 ATM. If ATM approves of the proposal, a debt exclusion vote will take place in the spring of 2016.

Project Costs

The Town has expended \$903,000 (through 12/31/15) on the TPC project, which includes a feasibility study, design and design updates, traffic studies and two permitting efforts. Additionally, the Town spent \$1,365,000 to purchase the adjacent property at 494 Washington Street.

The total estimated cost for construction and associated costs is the following:

Total Construction	\$5,983,000
Total Architecture and Engineering	\$190,000
Total Other Professional Services	\$372,000
Total Furnishings, Fixtures & Equipment	\$292,000
Total Other Project Related Expenses	\$35,000
Total Contingency	\$ 644,000
Construction Total	<u>\$ 7,516,000</u>

PBC will receive and review bids in late March. Advisory will have an opportunity to review the costs with BOS/COA and PBC will present its recommendation at Town Meeting.

This final number will be reduced by the Billie Tolles bequest, now totaling \$815,000. The BOS/COA anticipates a debt exclusion of \$6.7 million with a tax impact, based on the median home price (\$991,000), of \$55 per year. The \$55 per year is the maximum impact and it will occur in 2018. Because the Town will utilize a level principal amortization schedule the interest cost will decline annually and thus the yearly payment will continue to drop. The project will be repaid over 20 years with an assumed interest rate of 4%. The tax impact numbers will be adjusted once bids are received.

The COA operating budget for FY17 includes \$128,953 in rent and custodial fees paid to the WCC. For the TPC, operating costs for the fiscal years 2018 and 2019 are expected to be \$130,800 and \$134,722, respectively. The primary component of operating costs will be employment of a custodian.

Advisory Considerations

Advisory recognizes that this project has been many years in the making. Over the course of its development, a number of Boards and Committees, as well as many interested citizens, have carefully reviewed, reconsidered and modified its components to address challenges encountered along the way. Advisory believes that this project has been exhaustively vetted. Advisory also recognizes that on five separate occasions Town Meeting has decisively voted to provide the resources needed to move the project forward.

While all members of Advisory support the appropriation that the BOS and COA have requested, some Advisory members nonetheless had some questions and concerns that fall into the following categories:

- 1) Cost;
- 2) Design of the building and grounds;
- 3) Parking and safety; and
- 4) Programming and outreach

Cost: One member asked if the BOS/PBC had done benchmarking on senior center costs in neighboring towns. This member believed that such benchmarking would provide a basis for determining whether this is a fair cost or too high or too low. The BOS explained that providing benchmarks is challenging because construction costs rise each year and site costs can vary greatly. However, the OPM for the TPC project was able to provide the following information: the Needham senior center construction costs without site improvements and without soft costs or any mark-up assumed was approximately \$383 per square foot. Based upon the current estimate for TPC construction using the same assumptions, the cost is *estimated* to be \$343 per square foot.

Another member asked why we were paying both an (OPM) and a Clerk of the Works (COW). PBC explained that these roles serve very different functions. An OPM is at the construction site 1-2 days per week and performs several duties including scheduling, phasing, coordination and logistics. The COW is there every day recording many details regarding personnel, activities, equipment on site, and observing progress of the work. This daily diary is of critical importance, for the Owner's records particularly, if there is a dispute with the contractor. Such disputes are not unusual. One Advisory member noted that having a COW on-site everyday may deter unauthorized or illicit activity, thereby reducing the risk of contract disputes. Another member asked whether staff from the Facilities Maintenance Division (FMD) might serve as the OPM. FMD responded that this already occurs (e.g., the roof project at the Police Station) but that the FMD would need to add staff to serve in the OPM or COW role for the TPC. An Advisory member stated that the Town should try to use its own staff as OPMs and COWs as much as possible.

Design: One member asked how we know that the building is the right size for the needs of the Town and whether there is a margin for growth. The PBC responded that it depends upon the hours of use, and under current assumptions the building is the correct size. One member noted that the Collaborative Model of the senior center allows for flexibility to expand programs into other Town buildings if needed. The BOS explained that they deliberately avoided duplicating spaces in TPC that are available in other Town buildings such as the teaching kitchen at the Wakelin Room at the Library.

Two members noted that some walls seemed to have fewer windows than would be expected. PBC explained that those areas are stairwells, the kitchen, or mechanical storage. One member noted that there is no opening in the fence on the St. Paul's Parish side of the lot. PBC explained that the fence is required by the project's permitting. This member also expressed his view that the TPC design does not aesthetically blend with the architecture on that part of Washington Street, specifically, with the St. Paul's Parish buildings. The BOS responded that the TPC is a shingle-style building, the two buildings, which were demolished to make way for the TPC, were shingle-style buildings, and the building on the corner of Washington Street and Wellesley Avenue is a shingle-style building. On this basis, the BOS believes that the building fits in well with the architectural mix of the neighborhood.

Parking and Safety: One member inquired whether there was a stop sign within the parking flow path on-site. The BOS explained that there will be a stop sign on-site that will be enforceable by the Police. Two members were concerned that four handicapped parking spaces were insufficient. The BOS explained that this number exceeds the Town guidelines and also stated that some people will be dropped off by the COA bus, volunteer drivers, or family members and will not need handicapped spots. The BOS also noted that the parking spaces are wider than required. One member inquired whether there had been discussions with St. Paul's regarding the Parish's use of the TPC parking lot on Sundays. The BOS responded that they had communicated to St. Paul's representatives that they would be happy to work out an

arrangement with St. Paul's for parking on weekends and evenings when the building is not being used.

Programming and Outreach: One member inquired whether there would be weekend programming. The COA responded that in the future they will explore the possibility of some evening and weekend programming, in part, to make programming available to working seniors. One member asked whether the COA would increase transportation options to ensure that the oldest seniors would have reliable way to get to the TPC. The COA responded that they are currently doing an analysis of ridership to identify the transportation needs and efficiencies. One member asked how many the center would be able to accommodate for lunch. The COA responded that the number would be approximately 40 on a typical day.

Advisory believes that the Boards and Committees involved have done a remarkably thorough job in developing the TPC project in a manner that is compliant with or exceeds Town building, design and zoning requirements. These Boards have worked at length to consider and address the concerns of a wide range of stakeholders and expressed their intention to continue to do so in the future. Advisory commends the Boards and Committees for developing the Collaborative Model to serve the needs of Wellesley's senior citizens by designing a center that will be the heart of senior services and programs in close proximity to many of the Town's wonderful resources including the Wellesley Free Library and surrounding natural places such as the Town Hall grounds and the newly-improved Fuller Brook Path.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 13 to 0.

ARTICLE 25. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Permanent Building Committee, for construction, reconstruction, remodeling, rehabilitation or modernization of School District buildings, structures and land area including any necessary site work, and for any other services in connection therewith, to enhance security throughout the Wellesley Public School District; or to take any other action in relation thereto.

(School Committee)

Advisory expects no motion under this Article.

ARTICLE 26. To see if the Town will vote to authorize the Board of Selectmen to enter into an agreement with Massachusetts Department of Transportation (MassDOT) for the reconstruction of the Worcester Street at Kingsbury Street intersection; to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Board of Selectmen for said reconstruction, or take any other action in relation thereto.

(Board of Selectmen)

Under Article 26, the Board of Selectmen (BOS) is considering seeking an appropriation of \$700,000 to fund the reconfiguration of the Worcester Street/Kingsbury Street intersection. The

Town intends to finance the project with inside-the-levy borrowing, in order to preserve the Town's Chapter 90 funds for the ongoing resurfacing of Washington Street.

Background

Through its Pavement Management Plan, the Massachusetts Department of Transportation (MassDOT) is planning to resurface Route 9 through Wellesley. Plan specifications call for a "curb to curb mill and pave" of Route 9, including those sections which the State recently treated with a "skim coat" resurface. The Town of Wellesley has had a long-standing, documented interest in improving the intersection of Route 9 and Kingsbury Street for public safety reasons. MassDOT officials have offered to expand the scope of their resurfacing project to include a reconfiguration of the Route 9/Kingsbury Street intersection, provided the Town is willing to pay the incremental cost. The cost of the additional work is estimated to be \$610,000 plus a contingency, for a total cost of approximately \$700,000.

According to Wellesley Police Department data, the Kingsbury intersection has a higher crash rate than other intersections in Town. The Kingsbury site experienced a total of 102 crashes between 2011 and 2015, which is a crash rate of 0.98 per million vehicles. This is higher than the Town average crash rate of 0.53% per million at un-signalized intersections. A comparison of crashes at similar intersections (Route 9 at Overbrook Drive and Route 9 at Washington Street) shows the Kingsbury intersection to have a higher crash rate. Over the same period of time, the Overbrook site experienced 42 crashes and the Washington Street site experienced 96 crashes. A re-design of the Kingsbury Street intersection is expected to lower the number of crashes significantly, possibly closer to that of Overbrook. Of 102 crashes at Kingsbury, 48% were rear end and 52% were side impact or angle crashes. Nonrear-end crashes typically result in more damage both to vehicle occupants and the vehicles themselves. The intersection is also used by pedestrians and cyclists, including children who commute to the Middle School on a daily basis.

Intersection Configuration

Currently, Route 9 has two lanes running in each direction, East and West. To reverse direction, vehicles must make a U-turn in a designated Eastbound or Westbound turning lane. These turning lanes do not have traffic signals. Going Northbound on Kingsbury, there is a Right-Turn only, signaled lane. Drivers can turn Southbound off of Route 9 onto Kingsbury Street, but only if approaching from the Eastbound lane. There is no opportunity to cross Route 9 from the North and enter directly onto Kingsbury Street going Southbound.

MASSDOT reviewed a past traffic study as well as a preliminary plan prepared by a firm known as GBI. In addition, an updated traffic study was completed by an independent consultant hired by the Town. Based upon this information, the Town believes the signalization of this intersection and the elimination of the existing turnarounds would represent a significant public safety improvement. This improvement would benefit vehicles making the connection to Route 9 as well as for Middle School students and other pedestrians seeking to cross Route 9. The signalization of this intersection may also have a favorable impact on Linden Street, as people exiting the Middle School would feel safer connecting to Route 9 Westbound via Kingsbury.

Various designs are currently under consideration, with scenarios to be discussed at an upcoming public meeting. A possible design scenario could include:

- Closure of the two existing turnarounds on Route 9
- Installation of traffic signals
- Creation of dedicated left turn queuing lanes
- Resurfacing the sidewalks within the limits of intersection work

As a further safety improvement within the larger project, the Town has also asked the MassDOT to consider reconfiguring the curbing at Route 9 and Westgate, to preclude the possibility of vehicles crossing Route 9 at that location.

Timing: Mass DOT plans to do the intersection work as early as the fall of 2016 and resurface the road in 2017. The estimated cost for the entire project is \$7,250,000, with the Town of Wellesley's portion being \$700,000 (including a contingency).

Advisory Considerations

Per the traffic studies, new signalized intersections may result in longer queue times as vehicles come to a complete stop, and then proceed on a timed schedule. While not deemed particularly onerous, possible increased wait times must be weighed against public safety improvements that are expected to reduce crashes and allow for safer pedestrian/cyclist crossing. Children commuting to school are of significant concern as well, particularly since schools are encouraging children to walk to school more and more.

One Advisory member raised the possibility of increased traffic through neighborhood streets as vehicles strive to avoid increased wait time at traffic lights. A public meeting will be scheduled to seek community input on this and other concerns.

Advisory feels strongly that as various construction scenarios are evaluated, a median "safety" strip separating the Eastbound from the Westbound lanes must be considered. Without such a safe haven, pedestrians would be required to cross as many as 6 to 8 lanes in one crossing. And although walk times might be lengthened to allow for extended crossing, there is still risk that pedestrians could find themselves only partially across the road when the signal changes, with nowhere to safely stop and wait for the next signal. The median strip might also provide aesthetic greenery opportunities. Advisory recommends seeking public comment from the neighborhood on this point.

Project timing presents challenges also. The Town is currently undertaking a complete study of Route 9 improvement opportunities from its border in Newton to its border in Natick. Recommendations from this study will not have been developed before a decision about the Kingsbury intersection must be made. Should the Town wait to include the intersection reconfiguration as part of any larger Route 9 project, it would not be able to take advantage of the MassDOT funding for road resurfacing. Finally, any work done to Kingsbury Street in the fall has the potential to impact traffic to the Middle School.

Passage requires a 2/3 vote.

Advisory will make its recommendation at or before the Annual Town Meeting.

ARTICLE 27. To see if the Town will vote to grant, accept and/or abandon one or more easements, including but not limited to utility and drainage easements, at one or more locations in the Town; the proposed list being available for inspection in the Town Clerk's office; or take any other action in relation thereto.

(Board of Public Works/Board of Selectmen)

This Motion seeks Town Meeting approval of abandonment of an existing and no longer required easement located at 65 Bristol Road. A recent property sale freshly surfaced an easement that was intended for possible drainage for a school that was never built. The private parties involved are both interested in extinguishing the rights. The Board of Public Works reviewed the easement and found that the Town has no further need for the easement and forwarded a brief report to the Board of Selectmen (the original takers of the easement) and the School Committee (the original supporter of the action). The Selectmen voted to abandon the easement at a public hearing on January 12th, 2016, and counsel for the private interests is preparing the plan and quit-claim deed.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 13 to 0.

ARTICLE 28. To see if the Town will vote to amend the Zoning Map and Zoning Bylaws of the Town of Wellesley, Massachusetts by rezoning the following properties, as specified:

- a) To rezone the parcel located at 515 Washington Street and commonly known as Morton Park (Assessors' Parcel ID # 111-10) from the Single Residence District and Ten Thousand Square Foot Area Regulation District to the Conservation District;
- b) To rezone the parcel located along Cartwright Road and Kenilworth Road and commonly known as Beebe Meadow (Assessors' Parcel ID # 102-36) from the Single Residence District and Twenty Thousand Square Foot Area Regulation District to the Conservation District;
- c) To rezone the parcel located along Washington Street, Wellesley Avenue, and Brook Street and commonly known as Simons Park (Assessors' Parcel ID # 111-26) from the Single Residence District and Ten Thousand Square Foot Area Regulation District to the Conservation District;
- d) To rezone the parcel located at 291 Washington Street and commonly known as Elm and/or Clock Tower Park (Assessors' Parcel ID # 74-58) from the Single Residence District and Ten Thousand Square Foot Area Regulation District to the Conservation District;
- e) To rezone three (3) parcels located between Cedar Brook Road and Woodside Avenue, and Woodside Avenue and Mayo Road, and commonly known as Reeds Pond and Bogle Brook (Assessors' Parcel ID # 199-27, 190-108, and 190-109) from the Single Residence District and Ten Thousand Square Foot Area Regulation District to the Conservation District;
- f) To rezone two (2) parcels located along Elmwood Road and commonly known as Kelly Memorial Park (Assessors' Parcel ID # 170-84 and 169-72) from the Single Residence District and the Ten Thousand Square Foot Area Regulation District and Fifteen Thousand Square Foot Area Regulation District, to the Conservation District;
- g) To rezone two (2) parcels located between Hundreds Circle and Cliff Road and commonly known as Rockridge Pond (Assessors' Parcel ID # 83-13 and 95-33) from the Single Residence District and the Twenty Thousand Square Foot Area Regulation District, as applicable, to the Conservation District;
- h) To rezone nine (9) parcels located between Dover Road and Cottage Street, Cottage Street and Grove Street, Grove Street and Cameron Street, Cameron Street and Brook Street, and Brook Street and Wellesley Avenue, and along Wellesley Avenue and Great Plain Avenue, and commonly known as Fuller Brook Park (Assessors' Parcel ID # 113-37, 112-40, 112-39, 112-38, 99-111, 87-21, 88-33, 88-61, and 77-38) from the Educational District, the Single Residence District, and the Ten Thousand Square Foot Area Regulation District and Twenty Thousand Square Foot Area Regulation District, to the Conservation District;
- i) To rezone the parcel located along Washington Street and commonly known as Hunnewell Field and Reidy Field (Assessors' Parcel ID # 98-1) from the Single Residence District and Ten Thousand Square Foot Area Regulation District to the Conservation District;

- j) To rezone seven (7) parcels located between Seaver Street and Forest Street, Forest Street and Caroline Street, Caroline Street and Abbott Road, Abbott Road and Seaward Road, and Seaward Road and Maugus Avenue, and commonly known as the Parkway, Caroline Brook, and Phillips Park (Assessors' Parcel ID # 76-75, 76-16, 65-61, 65-62, 65-63, 64-70, and 64-5) from the Single Residence District, and both the Ten Thousand Square Foot Area Regulation District and Twenty Thousand Square Foot Area Regulation District, as applicable, to the Conservation District; the proposed amendments to be available for inspection in the Town Clerk's office;

or take any other action in relation thereto.

(Natural Resources Commission/Planning Board)

The Natural Resources Commission (NRC) and the Planning Board (PB) seek Town Meeting's approval to amend the Zoning Map and Zoning Bylaws of the Town of Wellesley by rezoning 28 parcels of land owned by the NRC. These properties are currently zoned in the Single Residence District (and the applicable Area Regulation Districts) or the Educational District; this Article proposes to rezone the properties to the Conservation District. The 28 parcels to be rezoned make up what are commonly known as Morton Park; Beebe Meadow; Simons Park; Elm, or Clock Tower Park; Reeds Pond/Boggle Brook; Kelly Memorial Park; Rockridge Pond; Fuller Brook Park; Hunnewell Field; Reidy Field; Parkway/Caroline Brook; and Phillips Park.

As noted, the properties are currently zoned in the Single Residence District or the Educational District, which is not necessarily consistent with the current and intended use of the properties as Parks, Open Space, Recreation, and or Conservation. Placing these properties in the Conservation District is more appropriate for their current and long-term intended use. While the level of protection regarding the use of these properties does not necessarily change, it is best practice for the zoning of properties to match the actual and intended use of the properties. Further, this rezoning is a recommendation of the Comprehensive Plan of 2007 and the 2015 Open Space and Recreation Plan; the Comprehensive Plan of 2007 recommends that a "way to strengthen the status of all park and conservation land is to ensure that it is zoned 'Conservation.'"

Advisory supports and commends the Natural Resources Commission and the Planning Board for working together to clarify and update the Zoning Map and Zoning Bylaws according to the current and intended use of the properties.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 13 to 0.

ARTICLE 29. To see if the Town will vote to re-adopt the Zoning Map of the Town of Wellesley, Massachusetts as amended by Town Meeting's approval of motions under preceding Articles, the proposed Zoning Map to be available for inspection in the Town Clerk's office; or take any other action in relation thereto.

(Planning Board)

Advisory expects no motion under this Article.

ARTICLE 30. To see if the Town will vote to further amend the Town Bylaws as necessary in light of the passage of the special act voted under Article 3, Motion 3A, of the Warrant for the November 2, 2015 Special Town Meeting; or take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 31. To see if the Town will vote to approve further action as necessary in light of the passage of the special act and related bylaws voted under Article 2, of the Warrant for the February 1, 2016 Special Town Meeting; or take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 32. To see if the Town will vote to amend the Town Bylaws, **Article 49 Police Regulations**, Section 49.19. Possession and Use of Alcoholic Beverages., so as to permit alcoholic beverages to be served within Town buildings subject to permission and licensing as determined by the Board of Selectmen; the proposed bylaw amendments to be available for inspection in the Town Clerk's office; or take any other action in relation thereto.

(Library Trustees)

Advisory expects no motion under this Article.

ARTICLE 33. To see if the Town will vote to amend the Town Bylaws **Article 34 Board of Health**, to regulate the use of plastic bags; or take any other action in relation thereto.

(Natural Resources Commission)

This Article is intended to amend Article 34 (Board of Health) of the Town Bylaws to regulate the use of plastic check-out bags as a means to address the problem of plastic litter on Natural Resources Commission (NRC) lands and throughout Wellesley. The new Town Bylaw, enforced by the Board of Health, would:

- restrict the use of single-use, plastic check-out bags less than 4.0 mils in thickness;
- require that paper bags be 100% recyclable and at least 40% post-consumer recycled content;
- designate the Board of Health and its Health Agent to administer and enforce this bylaw;
- take effect six months following approval by the Attorney General, or on January 1, 2017, whichever is later for Retail Establishments with a floor area equal to or exceeding 3,500

square feet or with at least two locations under the same name within the Town of Wellesley that total 3,500 square feet or more;

- take effect one year after passage for Retail Establishments less than 3,500 square feet; and
- allow the Director of the Health Department to exempt a retailer for six months in order to draw down an existing inventory of single-use, plastic check-out bags; or for some other undue hardship.

Exempt from this bylaw are thin-film plastic bags typically without handles that are used to contain dry cleaning, newspapers, produce, meat, bulk foods, wet items, and other similar merchandise.

Section 34 of the current Town Bylaw would be affected with the insertion of a new Section 34.5C, Single-Use Plastic Check-Out Bag Reduction, as follows:

34.5C. Single-Use Plastic Check-Out Bag Reduction.

Section I Findings and Purpose

Plastic check-out bags have a significant impact on the marine and terrestrial environment, including but not limited to: 1) harming marine and terrestrial animals through ingestion and entanglement; 2) polluting and degrading the terrestrial and marine environments; 3) clogging storm drainage systems; 4) creating a burden for solid waste disposal and recycling facilities; 5) requiring the use of non-renewable fossil-fuel in their composition. Studies have shown that even alternative “compostable” or “biodegradable” bags require very specific and controlled conditions in order to biodegrade, and have potentially negative environmental effects similar to conventional plastic bags. Such bags should therefore be subject to the same restrictions as conventional plastic check-out bags.

The purpose of this bylaw is to protect the Town’s unique natural beauty and irreplaceable natural resources by reducing the number of single-use plastic check-out bags that are distributed in the Town of Wellesley and to promote the use of reusable bags.

Section II Definitions

The following words shall, unless the context clearly requires otherwise, have the following meanings:

- a. “Check-out bag” shall mean a bag provided by a store to a customer at the point of sale. Check-out bags shall not include bags, whether plastic or not, in which loose produce or products are placed by the consumer to deliver such items to the point of sale or check-out area of the store.
- b. “Department” shall mean the Wellesley Health Department.
- c. “Health Agent” shall mean the Health Agent for the Wellesley Board of Health or his/her designee.
- d. “Recyclable paper bag” shall mean a paper bag that is 100% recyclable and contains at least 40% post-consumer recycled content, and displays in a visible manner on the outside of the bag (1) the word “recyclable” or a symbol identifying the bag as recyclable

- and (2) a label identifying the bag as being made from post-consumer recycled content and the percentage of post-consumer recycled content in the bag.
- e. "Reusable check-out bag" shall mean a sewn bag with stitched handles that is specifically designed for multiple reuse and that (1) can carry 25 pounds over a distance of 300 feet; (2) is machine washable; and, (3) is either (a) made of natural fibers (such as cotton or linen); or (b) made of durable, non-toxic plastic other than polyethylene or polyvinyl chloride that is generally considered a food-grade material that is more than 4 mils thick.
 - f. "Retail Establishment" shall mean any business facility that sells goods directly to the consumer whether for or not for profit, including, but not limited to, retail stores, restaurants, pharmacies, convenience and grocery stores, liquor stores, seasonal and temporary businesses.
 - g. "Thin-Film, Single-Use Plastic Check-Out Bags" shall mean those bags typically with handles, constructed of high-density polyethylene (HDPE), low density polyethylene (LDPE), linear low density polyethylene (LLDPE), polyvinyl chloride (PVC), polyethylene terephthalate (PET), or polypropylene (other than woven and non-woven polypropylene fabric), if said film is less than 4.0 mils in thickness.

Section III Regulated Conduct

- a. No Retail Establishment in the Town of Wellesley shall provide Thin-Film, Single-Use Plastic Check-Out Bags to customers.
- b. If a Retail Establishment provides or sells Check-Out Bags to customers, the bags must be one of the following:
 - 1. Recyclable paper bag; or
 - 2. Reusable Check-Out bag.

Section IV Exemption: Thin-film plastic bags typically without handles which are used to contain dry cleaning, newspapers, produce, meat, bulk foods, wet items, and other similar merchandise are not prohibited under this bylaw.

Section V Enforcement

- a. The Board of Health and its Health Agent shall have the authority to administer and enforce this bylaw.
- b. For the first violation, the enforcing authority, upon a determination that a violation has occurred, shall issue a written warning notice to the establishment specifying the violation.
- c. The following penalties shall apply:
 - 1. A fine of \$50 shall apply for the first violation following the issuance of a written warning notice.
 - 2. A fine of \$100 shall apply for the second violation and each additional violation of this by-law after the issuance of a written warning notice.
- d. Fines shall be cumulative and each day on which a violation occurs shall constitute a separate offense.

Section VI Effective Date

- a. This bylaw shall take effect six (6) months following approval of the bylaw by the Attorney General or on January 1, 2017, whichever is later for Retail Establishments with a floor area equal to or exceeding 3,500 square feet or with at least two (2) locations under the same name within the Town of Wellesley that total 3,500 square feet or more. This ordinance shall take effect one (1) year after passage for Retail Establishments less than 3,500 square feet. The Director may exempt a Retail Establishment from the requirements of this section for a period of up to six (6) months upon a finding by the Director that (1) the requirements of this section would cause undue hardship; or (2) a Retail Establishment requires additional time in order to draw down an existing inventory of thin-film, single-use check-out plastic bags.

Section VII Regulations

- a. The Board of Health may adopt and amend rules and regulations to effectuate the purposes of this bylaw.

Section VIII Severability

- a. If any provision of this bylaw is declared invalid or unenforceable the other provisions shall not be affected thereby.

Background

While the NRC encourages residents to recycle all plastic bags, it does not view recycling alone as a solution to the problem of plastic bag litter. In fact, the Wellesley Recycling and Disposal Facility (RDF) recently stopped collecting plastic bags for recycling, as it was too costly and problematic in terms of storage, baling, and disposal. In addition, the RDF found it hard to contain the recycled plastic bags, many of which ended up littering the RDF property and surrounding wetlands.

The ultimate goal of the NRC is to promote the use of reusable bags, which are already in use by many town residents today. However, until there is widespread adoption of reusable bags, one of the tradeoffs associated with restricting single-use, plastic check-out bags is that it may increase the use of paper bags, which have a higher carbon footprint. To address this, the proposed bylaw, like many others of its kind, requires that paper bags are 100% recyclable and contain at least 40% post-consumer recycled content. California, in its recently adopted statewide single-use carryout bag regulations, has similar requirements related to paper bags.

There are 18 communities within Massachusetts, including Newton and Brookline, which already have restrictions on the use of plastic bags. Natick is currently in the process of regulating plastic check-out bags. There are several current proposals for statewide legislation banning plastic bags. However, the prospects for these proposals are very uncertain in this legislative session. As more communities adopt bans of their own, the State Legislature is likely to be encouraged to eventually establish a policy for the state.

The Board of Health will be responsible for enforcing the check-out bag regulation. The members of the board and the Director of Public Health have reviewed the proposed bylaw and determined that it will not require additional staff for enforcement.

Additional background information can be found in the Report of the NRC found at the end of this Advisory Report on page 157.

Advisory Considerations

Advisory commends the NRC for the careful study of the issue of single-use, plastic check-out bags and the extensive outreach within town, both to residents and merchants, in considering the impact of the proposed plastic bag regulation. The desire to address the problem of plastic litter in Wellesley, while not inflicting undue hardship on the town's merchants, is clear from the provisions of the proposed bylaw, including the timing on when the regulation becomes effective.

Advisory understands and appreciates the detrimental environmental impact that single-use, plastic check-out bags are having on Wellesley and beyond and supports the adoption of a new bylaw restricting their use.

What generated the most discussion in Advisory relates to the provisions of the proposed bylaw concerning paper bags. The chief concern is that the restriction that paper bags be 100% recyclable and contain at least 40% post-consumer recycled content might present undue hardship to town merchants. More specifically, while such bags are already widely used in supermarkets (e.g., Whole Foods offers only paper check-out bags that are 100% recyclable and contain 100% post-consumer recycled content), what about other retail merchants (e.g., clothing) in town? In an earlier survey of town merchants, the NRC found that many were already using paper bags, though the NRC at the time did not inquire about post-consumer recycled content.

Following the meeting with Advisory, the NRC probed further and found that merchants such as London Harness and Eileen Fisher already use bags that are compliant with the proposed bylaw. Other businesses, such as C.K. Shanghai, use 40% post-consumer recycled content paper bags, but are not labeled as such. In speaking with the C.K. Shanghai bag supplier (Atlas Bag Manufacturing of Woburn, MA), the NRC learned that 40% post-consumer recycled content paper bags is an industry standard and the most commonly distributed paper bags are likely to contain 40% post-consumer recycled content, whether or not there is a label on the bag. Currently, retailers and distributors can choose whether to indicate the composition of the bag, and whether or not to include the "recycling triangle" on the bag. With the proposed regulation, paper bags would be required to be labeled as recyclable and include on the label the percentage of post-consumer recycled content in the bag.

Under the proposed bylaw, some stores may have to change from non-recyclable, glazed paper shopping bags to shopping bags that can be recycled. Advisory agrees with the NRC that this is a desirable shift for our community, given that Wellesley residents bear the cost of disposal for those non-recyclable bags. Landfill costs continue to rise and therefore all bags distributed in Wellesley should be recyclable so that there is at least the possibility of keeping them out of the landfill. Also, it is important that the bags be labeled with a recycling triangle to avoid any confusion for residents at the RDF and the possible contamination of the recycling stream with non-recyclable bags.

Finally, small businesses under 3,500 square feet will have at least one year to comply with the proposed regulation; larger businesses will have at least six months. Advisory believes that these provisions give businesses sufficient time to adjust to the new requirements.

One Advisory member asked how the violation fines were determined. The NRC stated that the fines are in line with other communities with similar bag restrictions and are deemed to be sufficient enough, without being overly onerous, that violators would be encouraged to comply with the regulation.

Another Advisory member asked if the restrictions on paper bags might compromise their strength. The NRC stated that the sturdiness of the paper bag is governed by the thickness of the bag, not by the recycled content.

Advisory recommends favorable action, 13 to 0.

ARTICLE 34. To see if the Town will vote to amend the Town Bylaws **Article 14 *Permanent Building Committee***, the proposed bylaw amendments to be available for inspection in the Town Clerk's office; or take any other action in relation thereto.

(Permanent Building Committee)

The Permanent Building Committee (PBC) seeks to amend Article 14 of the Town Bylaws to authorize it to appoint an Associate Member or Members to assist in general review of projects. The PBC is a Board of five residents appointed by the Moderator. Article 14 of the Bylaw provides that the PBC is responsible for financial estimates, design and construction of Town building projects for which funds are appropriated to the PBC. Article 14 further provides that the PBC "shall work to achieve the project goals" of the Board proposing the project.

In recent years, the number of new construction, renovation and major repair projects initiated by the Town has increased dramatically. While the workload has increased substantially, the number of Board members has not. With this proposed bylaw revision, the PBC seeks to increase its ability to accommodate the needs of Boards proposing building projects. It proposes to do so by revising **Article 14.2** to authorize the PBC, at its discretion, to request that the Moderator appoint an Associate Member/s.

The PBC believes that there are residents with highly relevant experience who would be willing to serve as Associate Members on an *ad hoc* basis. PBC envisions that Associate Members would serve during specific points of plan review but they would not be full PBC members (e.g., Associate Member/s would serve for a limited period of time and would not have voting responsibilities). PBC expects that this reduced level of commitment will make the position easier to fill than that of a full-fledged member while providing key skills to the PBC team. PBC anticipates that Associate Members would be appointed by the Moderator, as are full members but, at the time this book goes to print, this has not been confirmed.

Advisory notes that Article 14.4 of the Bylaw currently authorizes appointment of Temporary Members. A Temporary Member is a member or representative of the Board for which a project is being planned or constructed. Temporary Members are limited to working on the project for which she or he is appointed. In contrast, Associate Members would not be a member of a Town Board and are not limited to working on a particular project. Thus, the ability to add one or more Associate Members would provide the PBC with greater capacity and flexibility in assisting Boards with their building projects, large and small.

The bylaw would change as follows (*changes in italics*):

14.2. Membership. The Town shall have a Permanent Building Committee consisting of five residents appointed by the Moderator. Appointments shall be made so that the Committee shall at all times include an attorney, an architect, an engineer, and an individual who is primarily engaged in the construction business. No such member shall be an officer, official, or paid

employee of the Town, or a member of any Board, except that a Town Meeting Member may be a member of the Committee. *The Committee may, at its discretion, request appointment of an Associate member/s to assist in general review of projects.*

The PBC also seeks to amend **Article 14.6** to increase the length of time that it will have to work on a proposed project. PBC proposes to do this by increasing from 90 to 120 the number of days prior to Town Meeting that a proposing Board must provide to the PBC information regarding project goals and financial requirements. Following Board or department notification, PBC must vet the scope and costs prior to meeting with Advisory on the proposed project. It is PBC's responsibility to present its proposed design or construction budget requests to Advisory and, later, to Town Meeting, with the following conclusion: The PBC believes the "sums requested are reasonable with respect to the financial requirements of the project." (See Article 14.6.) In recent years, the number of Town building projects has escalated dramatically. It has become increasingly difficult for PBC to perform its due diligence within the existing bylaw parameters due to multiple projects proceeding simultaneously. PBC believes that increasing the time it has to carry out its due diligence role will increase the PBC's flexibility and capacity to support Boards proposing building projects.

The bylaw would change as follows:

14.6. Financial Requirements and Notification. Any Board which intends to propose a project to Town Meeting shall provide information regarding the project goals and the financial requirements of the project to the Committee at least ~~90~~ 120 days in advance of the Town Meeting at which funding of any kind for the project will be requested. This information shall be simultaneously submitted to the Advisory Committee in accordance with Section 11.12. The Committee shall review the information provided to determine whether the sums requested are reasonable with respect to the financial requirements of the project and shall report to Town Meeting thereon.

Finally, the PBC proposes to amend **Article 14.11** of the Bylaw to clarify the point at which PBC is responsible for a project that must go to the Design Review Board. This is a housekeeping measure as it codifies what already occurs in practice. The bylaw would change as follows:

14.11. Design Review Board. Whenever a ~~board~~ *design funds have been appropriated* ~~submits a project~~ to the Committee, the Committee shall notify the Design Review Board of the project and the project shall not proceed except in compliance with Section 46.3.

Advisory Considerations

Advisory agrees with PBC's characterization of Town construction projects as escalating rapidly both in number and size. Over the past 15 years, PBC has overseen the design, bidding and construction on the following projects: Sprague Elementary School, Bates Elementary School, the Main Library, the Warren Building, the DPW Building, Wellesley Middle School renovations (two separate projects, both major), the new High School, Pre-School Modularity and Fiske and Schofield Modularity, MLP/DPW Garages, MLP Administration Building, DPW Operations Building, School Infrastructure, PBC Capital Bundle (9 projects), Hills Library Branch chimney, and numerous smaller construction projects in which PBC has played a pivotal role. Currently and in the future, PBC has or will have on its plate the Tolles-Parson Center, Middle School window replacement, Fiske and Schofield Schools renovations, the Police Station roof replacement, School Security, Town Hall Exterior Renovation, PAWs expansion or relocation, Facilities Maintenance Department (FMD) New Office Building, WMS HVAC/Façade/Miscellaneous Renovation, Hardy/Hunnewell/Upham construction or renovation, and numerous smaller projects. Additionally, the creation of the Facilities Maintenance

Department (FMD) has ushered in a new era of addressing previously delayed upgrades and maintenance projects, some of which trigger PBC review and thereby also increase the PBC workload.

Some measures have been taken to address the heavy PBC workload including authorizing FMD to oversee projects of \$100,000 or less and authorizing PBC to refer other projects to FMD. This still leaves major and medium-sized projects within PBC's purview. The bylaw amendments described above, if adopted, will provide some additional relief.

While Advisory supports the bylaw amendments as a general matter, Advisory did have some questions and concerns regarding the proposed amendments. With respect to the proposed amendment to 14.2, several Advisory members expressed concern that the provision may be too vague regarding the scope of the Associate Members' authority. Specifically, several members believe that the proposed bylaw needs to be revised to specifically address the following issues:

- Whether an Associate Member will be appointed by the Moderator;
- Whether an Associate Member will have voting power; and
- Whether the Associate Member will serve for a defined term.

With respect to whether an Associate Member would have voting authority, one Advisory Member had the following concerns: 1) that it would be difficult to recruit Associate Members if they do not have voting power; and 2) that an Associate Member would have first-hand knowledge of projects the member is working on and is therefore arguably in the best position to vote on such projects. Additionally, one member asked whether having Associate Members would reduce the need to hire consultants to assist with projects, thereby saving money. The PBC responded that, while having additional members could reduce the need to hire consultants on an as-needed base, consultants would probably perform a broader scope of work than an Associate Member would. Finally, several members were concerned that it is unclear whether Town Counsel has reviewed the proposed amendments.

There was consensus among Advisory members that Advisory should delay its vote pending clarification of the issues described above.

Advisory will make its recommendation at or before the Annual Town Meeting.

ARTICLE 35. To see if the Town will vote to establish and designate a new Neighborhood Conservation District by amending the Town Bylaws by inserting a new **Article 46C, *Standish Road Neighborhood Conservation District***; or take any other action in relation thereto.

(Historical Commission)

Advisory expects no motion under this Article.

ARTICLE 36. To see if the Town will vote to amend **Article 17 *Historical Commission***, to codify the authority of the Historical Commission to conduct inventories and surveys for the purpose of identifying and designating historic buildings, structures, and properties located within the Town; the proposed bylaw amendments to be available for inspection in the Town Clerk's office; or take any other action in relation thereto.

(Historical Commission)

The proposed amendment language is as follows, in bold:

17.3. General Duties. The Commission shall have the powers and duties of historical commissions under Chapter 40, Section 8D of the General Laws. These include the preservation, protection and development of the historic assets of the Town. It shall conduct researches for places of historic value and shall seek to coordinate the activities of unofficial bodies organized for similar purposes, and may advertise, prepare, print and distribute books, maps, charts, plans, and pamphlets which it deems necessary for its work. **The Commission may also conduct local surveys to identify and designate buildings, structures, and properties located within the Town as historic.**

Background and Summary

This proposed language is a technical clarification to the existing General Duties of the Wellesley Historical Commission ("WHC" or "Commission") as established in Article 17 of the Bylaws. The current Article 17 has adopted Massachusetts General Law c. 40, § 8D in its entirety thus adopting the statute's provision authorizing the Historical Commission to "do and perform any and all acts which may be necessary or desirable to carry out the purposes of this section." The intent of this current Motion is not to expand the authority the Commission currently holds, but to clarify its role in fulfilling its mission.

The Secretary of the Commonwealth administers the Massachusetts Historical Commission, and interprets G.L. c. 40, § 8D as authorizing local historical commissions to conduct surveys of historic properties. For instance, the Massachusetts Historical Commission has observed that "[i]dentification of historic resources should be the first goal of every local historical commission," *Preservation Planning Manual for Local Historical Commissions*, and that "compiling a historic properties inventory is an essential first step for a Historical Commission." *Local Historical Commissions in Massachusetts*, <http://www.sec.state.ma.us/mhc/mhcupdf/lhcsun.pdf>.

The Commission thus believes that it currently has both the authority and the obligation to conduct local surveys to identify and designate buildings, structures, and properties located within the Town as historic. Indeed, Town Meeting has recognized this authority on several previous occasions. In 2008 and again in 2010, the Commission sought--and Town Meeting approved--Community Preservation Committee (CPC) funds to conduct surveys and inventories of historic properties in Town. And in 2015, the Commission sought--and Town Meeting approved--CPC funds to assist in identifying all buildings in Town over 100 years old (in order to determine their eligibility for the WHC historic date plaque program).

The Commission is seeking this technical clarification to Article 17 because it has been approached by several residents in recent years who have encountered legal difficulties when seeking to conduct historically accurate renovations of their homes--in particular, when seeking permission from the Town Building Department to retain their historic windows and doors. These difficulties have arisen as a result of the "Stretch Code"--the energy-efficiency provision of the state building code that Wellesley adopted several years ago. Among other things, the

Stretch Code mandates when the scope of a renovation exceeds a certain minimal threshold, historic materials like windows and doors that were removed during the renovation cannot be reused, but must be replaced with new ones. For owners of structures who wish to maintain the historic integrity of their home and reuse these historic materials, their only legal recourse has been to spend time and money to seek a variance from the State Building Code Appeals Board allowing them to do so.

Fortunately, the Stretch Code already acknowledges that historic buildings may need to be treated differently from newer construction, and contains an express exemption from its requirements for “any building or structure that is . . . designated as a historic property under local or state designation law or survey.” Section 101.4.2. This exemption is consistent with widely-accepted historic rehabilitation practice, including the Standards for Rehabilitation promulgated by the U.S. Secretary of the Interior (<http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>), which advise that “new additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property.”

However, the Town Building Commissioner has taken the conservative position that in the absence of express authorizing language in its bylaw, the Commission lacks the authority to conduct inventories and surveys of historic buildings within the meaning of the Stretch Code exemption. As such, at present owners of historic buildings identified by the WHC are precluded from taking advantage of the Stretch Code exemption. This technical amendment is intended to provide the Building Commissioner with the legal assurance necessary to permit the existing Stretch Code exemption to be exercised by owners of historic buildings so designated by the WHC.

The WHC emphasizes that that if an owner of a historic structure identified as such by a WHC local survey (and thus eligible for the exemption) affirmatively *wants* to comply with the Stretch Code during a renovation (for instance, by replacing their historic windows with new windows), nothing in this technical amendment would prevent that owner from doing so. The WHC is merely seeking through this amendment to provide owners who would like to maintain the historic integrity of structures with the *option* to do so, without requiring them obtain a State Building Code variance.

Advisory recommends favorable action, 13 to 0.

ARTICLE 37. To reauthorize the surcharge of 1 percent previously approved under section 3 of chapter 44B of the General Laws (the Community Preservation Act) and authorize appropriation to the Community Preservation Fund of additional municipal revenues pursuant to section 3(b1/2) of chapter 44B up to 2 percent of the taxed assessed annually on real property, effective for fiscal years beginning on or after July 1, 2016, or take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 38. To see if the Town will vote to rescind any authorized and unissued loans, including those identified in the list available for inspection at the office of the Town Clerk, to authorize the transfer of unused proceeds from previously issued loans to one or more eligible appropriations, or to take any other action in relation thereto.

(Board of Selectmen)

ARTICLE 38, MOTION 1

The Board of Selectmen proposes to rescind debt that was previously appropriated. The amounts sought to be rescinded were never borrowed and the authorization to borrow such sums is no longer needed to complete the projects for which they were initially authorized, as set out in this chart:

Amount to Be Rescinded	Original Amount Authorized	When Authorized (Warrant Article)	Purpose	Board
\$50,700	\$960,700	2013 (14)	Park and Highway HVAC	PBC
\$16,000	\$411,000	2013 (17-2)	School phones	PBC
\$286,826	\$2,668,826	2014 (16)	Project bundle*	PBC
\$13,976	\$363,976	2014 (16)	Middle School Auditorium Seating	PBC
\$36,694	\$5,036,694	October 2014 STM (9-1)	900 Worcester purchase - \$876,694 increase in costs**	BOS
\$1,500,000	\$4,800,000	October 2014 STM (4)	Middle School windows***	PBC
\$174,029	\$4,909,300	October 2014 STM (4)	Middle School Windows****	PBC
\$301,164	\$970,205	2014 (15)	Fuller Brook	DPW
\$58,300	\$408,300	2015 (17)	School security planning	PBC
<u>\$2,437,689</u>	<u>\$20,529,001</u>			

*The bundled projects were: (1) multiple repairs to the Warren Building, (2) repair of the Donizetti Entry Plaza of the Middle School, (3) replacement of the roof of the Sprague School, (4) repair of the Oak Street entry plaza of the Sprague School, and (5) roof repairs of the Hunnewell School.

**The total appropriation was \$5,083,694, of which \$47,000 was from Free Cash. The total borrowing authorization was \$5,036,694, of which \$5,000,000 has been issued. The authorized borrowing before the Motion at the Fall 2014 STM was \$4,160,000, and \$876,694 was added then to bring it up to the new total borrowing authorization.

***The Permanent Building Committee has not finalized the amount that can be released as of this date. The \$1,500,000 is an estimate.

****The second entry under Middle School Windows reflects payments totaling to \$174,029 from the Massachusetts School Building Authority as of this report. There may be further payments from the Commonwealth.

The Town completed the listed projects for less than the total amount of borrowing that Town Meeting authorized, leaving unused authority to borrow on the Town's books. In other words,

the funds were not actually borrowed. There is no financial impact either from the fact that the appropriations were not fully exploited, or from partially rescinding the appropriations now. The purpose of rescinding the described sums is one of appearance, so that total amount of authorized borrowing is diminished, and the Town's credit worthiness is improved. The effect is much the same as closing an unused credit line before applying for a personal loan. The Selectmen, therefore, propose in Motion 1 to rescind the borrowing authority for the unneeded funds associated with these projects. Advisory believes that rescinding the debt in this Motion is sound financial management.

Advisory recommends favorable action, 13 to 0.

ARTICLE 38, MOTION 2

The Board of Selectmen proposes to rescind appropriation of \$249,583 that was borrowed to design the Schofield/Fiske renovation project, and to transfer this amount to the Schofield/Fiske renovation project as follows;

Authorized Article	Authorized	Purpose
\$2,432,000 7.1	STM 2013	Design - Schofield/Fiske Renovation

To the Schofield /Fiske renovation project, approved as follows:

Authorized	Article	Authorized	Purpose
\$19,634,824	6	STM 2014	Construction - Schofield/Fiske Renovation

And to rescind \$249,583 of the amount authorized to be borrowed on the construction phase of the renovation project.

Of the original \$2,432,000 borrowed for the design of the Schofield-Fiske renovation, \$249,583 was not needed to complete the design work. By transferring this amount to the construction phase, the amount of borrowing can be reduced equally. Town Meeting approved borrowing for the renovation up to \$19,634,824 at the Fall 2014 Special Town Meeting. By transferring the leftover money from the design phase, the Town can reduce authorized borrowing from \$19,634,824 to \$19,385,241. This reduction is prudent for the reasons discussed under Motion 1 of this article.

Advisory recommends favorable action, 13 to 0.

ARTICLE 39. To see if the Town will vote, as authorized by Section 9 of Chapter 258 of the General Laws, to indemnify Town Board members, officers, officials and employees from personal financial loss, all damages and expenses, including legal fees and costs, if any, in an amount not to exceed \$1,000,000, arising out of any claim, action, award, compromise, settlement or judgment by reason of an intentional tort, or by reason of any act or omission that constitutes a violation of the civil rights of any person under any federal or state law, if such employee or official, at the time of such intentional tort or such act or omission, was acting within the scope of his official duties or employment, and to raise and appropriate, transfer from available funds, or borrow a sum of money therefor, or to take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 40. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money for expenses incurred by Town Departments prior to July 1, 2015, or to take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 41. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Selectmen, for the purpose of paying expenses related to the settlement of claims, actions and proceedings against the Town, or to take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 42. To see if the Town will vote to authorize the Board of Selectmen, on behalf of the Town, to dispose of tangible Town property having a value in excess of \$10,000, on such terms as it may deem advisable, or to take any other action in relation thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 43. To see if the Town will vote to authorize the Board of Selectmen to appoint one or more of its members as a fire engineer, or to take any other action in relation thereto.

(Board of Selectmen)

This Motion authorizes the Board of Selectmen to appoint one or more of its members as Fire Engineer. When dealing with administrative matters within the Fire Department, the Board of Selectmen is required to convene as the Board of Fire Engineers. Examples of these administrative matters are hiring and termination of Fire Department personnel and review of major policy issues. It is Town custom for all of the Selectmen to be appointed to act in this capacity.

Advisory recommends favorable action, 13 to 0.

REPORT OF THE BOARD OF SELECTMEN AND COUNCIL ON AGING

This is a Report of the Board of Selectmen (“BOS”) and the Council on Aging (“COA”) regarding the history of the Tolles-Parsons Center (“TPC”) (previously known as the Senior Center). Given the passage of time since the last update on the proposed Center and the current request for construction funds, this Report will include a thorough review of the work completed to date.

History of Council on Aging

The National Council on Aging originated in 1950 in response to concerns about rising health costs and the impact of mandatory retirement. The Older Americans Act was enacted in 1965 to promote the development of senior centers for coordination of services and to improve the lives of older Americans through:

- Work and volunteering
- Healthy aging practices
- Providing access to benefits and
- Ensuring their ability to remain independent.

In 1972, Wellesley’s Town Meeting established the COA “to coordinate and implement programs designed to meet the needs of the elderly.” In 1973, a Senior Needs Assessment Survey was conducted and the results focused on the needs of the seniors in town related to transportation gaps, the need for outreach, a drop-in center and a program coordinator.

By 1974, the COA saw its purpose as:

- A clearing house for various senior programs offered by civic, fraternal and religious groups in town;
- Obligated to create specific programs for seniors including Mini Bus program, Meals-on-Wheels and a merchant discount program.

Wellesley Friendly Aid and Wellesley Community Center

In 1975, the COA rented a single room in the Wellesley Friendly Aid (“WFA”) building and hired a Program Coordinator. In 1982, the COA moved to the Wellesley Community Center (“WCC”). The staff included a Director and part-time assistant in one office and provided information and assistance on issues including health insurance, social security, housing, employment, legal assistance, financial assistance, fuel assistance and nutrition information.

The COA remains housed in the WCC, a non-profit and privately-held and managed facility, and employs a Director, Assistant Director, Health and Human Services Administrator, Program and Office Assistant, Senior Activities Coordinator, nine-part time employees and over 225 volunteers. In FY2017, the Town will pay approximately \$129,000 to the WCC for rent and custodial services for office space, one dedicated room in the basement of the facility, two additional rooms that are available to the COA from 9-4 each day and access to two other rooms on an as requested, as available basis. This is a \$12,000 increase (more than 10%) over FY16.

Chronology of Tolles-Parsons Center

In 2005, the Town received a bequest of \$825,000 from the estate of Mary Esther “Billie” Tolles. The bequest specified that the funds be used to found, construct and equip a free-standing senior center in Wellesley. This bequest prompted a review of the current facility and services.

Formation and Findings of Senior Center Study Committee 2007-2009

In January 2007, the Senior Study Committee was appointed by the Board of Selectmen. Their mission was to evaluate how the Town could best meet the evolving needs of Wellesley's senior population.

During the period January to November 2007, the BOS and COA had multiple discussions with the WCC to explore the possible renovation and expansion of the WCC to accommodate the expanding needs of the COA. Several plans were developed and discussed and the parties concluded that there was not a sufficient convergence of interests to support the approach.

The Senior Center Study Committee initiated a comprehensive review of senior support in Wellesley and opportunities for improvement, as well as a review of other location alternatives. The review consisted of focus groups, interviews, public forums, surveys and benchmarking, including visits to senior centers in other towns.

It was found that the level of support for seniors in Wellesley was lower than that of neighboring towns; programs were difficult to coordinate and confirm; dedicated space was extremely small, impacting the number and types of programs that could be offered; physical access to programs and offices was severely limited given accessibility issues; and as a result, participation rates were quite low.

Based on these findings, the Senior Study Committee concluded the following:

- In order to age well, individuals need to maintain an active, healthy and socially-engaged lifestyle. Seniors are increasingly seeking opportunities to learn, socialize, exercise and otherwise remain vital.
- The quality, size, accessibility and availability of facilities impact a town's ability to provide senior support. Well-designed, thoughtfully planned senior centers are attractive, welcoming environments that flexibly support concurrent activities. Accessibility is vital and the opportunity for social interaction is essential.
- Communities that have invested in a new or renovated senior center have seen a significant increase in participation, including senior volunteers, to support an expanded program.

The Senior Study Committee undertook a review of possible sites for the Tolles-Parsons Center and in April 2008, Town Meeting authorized \$50,000 for an assessment of the needs of the Town's senior population (\$25,000 from free cash and \$25,000 from the Tolles bequest) and to initiate a feasibility study for the construction of a free-standing senior center at 496 Washington Street, the former American Legion (AL) property.

Feasibility Study in 2008

In September 2008, the architectural firm of Sterling Associates was hired to conduct a feasibility study which included a needs analysis, review of program plan and space requirements, options review (site and parking), estimated operating budget and preliminary floor plans. The results of the feasibility study suggested that the AL site would readily support a two-story facility of approximately 12,400 square feet. The structure would be fully compliant with the Town's zoning by-laws including footprint, building height and setback requirements. A preliminary design concept was developed which provided offices for the COA staff and visiting support professionals, the Town's Veterans' officer, a drop-in area, socializing spaces, a number of flexible spaces for various size activities and programs, a kitchen and a large hall that could be configured or subdivided for various uses.

It was proposed that the parking needs of the proposed center would be met through a combination of 34 on-site spaces, on-street parking and increased use of senior transportation.

Design Work in 2009-2010

In 2009, by a 157-58-3 (72%) standing vote, Town Meeting appropriated \$600,000 for a detailed building design at the AL site. During this phase, a building program review and benchmark study on design was completed by the newly formed Senior Center Building Committee.

This phase of work carefully considered the vision and goals of the Tolles-Parsons Center. The vision was to enable and enhance a healthy lifestyle, provide opportunities for interpersonal connections and increase overall well-being.

The goals of the Tolles-Parsons Center were to:

- Provide the adequate size and type of spaces necessary to enable a sense of place and to promote aging in place;
- Expand programs to meet the needs and interests of the population and encourage and expand participation;
- Provide welcoming and flexible spaces conducive to multiple activities;
- Foster intergenerational participation.

Building Program Review

The Building Program Review included the following:

- A detailed review and summary of the activities and services being provided at that time, the anticipated number of participants and the types of spaces needed to accommodate them;
- A summary of potential activities in anticipation of growth in offerings and in the rate of participation;
- The development of a floor plan which had the flexibility to accommodate the current activities as well as activities and programs for the future.

The major findings of the review were:

- New facilities yield increased participation and utilization with a 20-25% utilization rate;
- Socialization, drop-in area is key;
- A vibrant lunch program is important and attracts seniors for other activities;
- Spaces should enable concurrent programming and be flexible to enable multiple uses;
- Private meeting spaces are highly utilized.

Based upon the information gathered and findings, five categories of spaces were identified as necessary to accommodate activities and programming:

- Informal drop-in area/gathering spaces;
- Spaces for scheduled activities and programs all designed for maximum flexibility;
- Meeting spaces;
- Dining/food preparation spaces; and
- Office/administrative spaces.

Benchmark Study on Design

The Benchmark Study on Design included a descriptive summary of information collected from site visits and research focusing on the design, adjacencies and use of spaces. The study compiled information on best-practices and design elements which were effective and efficient to be incorporated into the design for the Tolles-Parsons Center.

Traffic and Parking Study in 2009

A Traffic and Parking Study was conducted by Howard Stein Hudson in 2009 and a report issued in January of 2010.

The site plan for the project included 34 on site parking spaces (including two handicap spaces). Forty-seven public parking spaces exist on Washington Street adjacent to the site but the number of space would most likely have been reduced to 41 as a result of curb cuts and site planning.

It was determined that the new vehicle trips generated by the Tolles-Parsons Center would not adversely impact the study area intersections.

With regard to the adequacy of parking, five parking demand scenarios were considered and conclusions were made based upon parking counts. Under all scenarios, which included a funeral at St. Paul's and a large event at TPC, the use of public spaces on Washington Street would have been necessary.

Proposed Acquisition of 494 Washington Street

As a result of the concerns over the adequacy of parking at the AL site, the Selectmen engaged in negotiations with the owner of the property adjacent to the AL site, 494 Washington Street. This lot when combined with the AL site, totaled 41,924 square feet (almost an acre).

A price of \$1,270,000 was negotiated with the owner and the proposal was presented to 2010 Town Meeting. Town Meeting did not approve the purchase price of \$1,270,000 but agreed that it would offer \$1,000,000. The owner declined the offer.

Further Discussions with WCC

During the period 2010-2011, the Selectmen, COA and WCC engaged in further discussions regarding the viability of the COA remaining in the WCC on a long-term basis. The land on which the WCC building is located is owned by the WFA. Additionally, the property includes a building which houses the WFA and a private counseling organization, a building used by the Wellesley Service League and the Wellesley Historical Society with adjacent parking.

Renovation Options

The WCC proposed three specific options involving renovation to the current WCC facility. These are briefly summarized:

- Option 1
 - Ground level addition and conversion of some existing space to meeting rooms.
 - Construction cost estimate of \$2,538,000
 - Cost to Town of \$2,138,000
 - Cost to WCC of \$400,000
- Option 2
 - Similar to Option 1 above with larger addition to lower level
 - Construction cost estimate of \$2,513,000
 - Cost to Town of \$2,113,000
 - Cost to WCC of \$400,000
- Option 3
 - Larger addition to accommodate Drop-in room, reception area, activity spaces, small kitchen, and COA office space
 - Construction cost estimate of \$3,113,000

- Cost to Town of \$2,713,000
- Cost to WCC of \$400,000

The BOS rejected these options as they did not fulfill the needs of the program. But the disproportional financial contribution without ownership or control was the key element that made these options unattractive.

Tear Down/Rebuild Option

Another option proposed by the WCC involved tearing down and rebuilding the facility to provide adequate COA office space and adequate activity spaces. The total construction cost was estimated at \$4,425,000, with the Town contributing \$4,025,000 and the WCC contributing \$400,000. While this was a conceptually viable option, this option was rejected again due to the large financial contribution by the Town without any ownership or control of the facility.

Condominium Approach

A “condominium” approach was also explored which would require tearing down and rebuilding the facility; the WCC would own and control one floor of the building and the Town would own and control another floor of the building. Several concerns were raised including but not limited to the fact that the land is owned by WFA and the financial contribution would have to be equal between WCC and BOS.

After consultation among the Board and with Town Counsel, it was determined that the condominium approach would not be pursued.

In summary, although the existing WCC facility may have met the historical needs of Wellesley's senior population, our senior population has grown and changed over the years to the point where the configuration of the building no longer provides adequate space, including rooms equipped for designated purposes, to meet the seniors' needs. Additionally, if the Town were to make a significant capital investment in a new facility, the BOS believes the Town should own and operate the facility.

Campus Vision

In an effort to find a resolution that would be feasible and appropriate for the WCC and the senior citizens of Wellesley, the BOS proposed a “campus concept” at the current WCC site that would provide spaces for senior activities, the COA, the WCC, the WFA and other community groups. The long-term goal was a new facility to replace the WCC facility and the WFA buildings on the WFA property that would enable the WFA, the WCC and the COA to continue their missions. The new facility would be owned and operated by the Town of Wellesley.

The COA, BOS, WFA and WCC met to discuss the possibility of a new facility with the following criteria:

- The new facility to be owned and operated by the Town of Wellesley;
- The new facility to provide spaces for the WFA and WSA, as well as the WCC and COA and their activities, and other organizations to be determined as the project progressed;
- The WCC to continue its mission in the redeveloped facility as a tenant of the Town;
- The Town to consider the consumption of alcohol in the new facility.

After further discussion between the parties, it was clear that the COA and WCC were both trying to expand their services that the site was not large enough to accommodate all of the

parties' needs, and that sufficient synergies did not exist among them. Other concerns included insufficient parking, likely cost increases over what had been projected for a senior center, and the determination that it was not reasonable to ask the Town to pay for a building that would not be used solely for municipal purposes.

Consideration of Other Sites

During 2011, several sites were evaluated to determine whether another site was viable. These included:

- Property owned by Wellesley College – Washington Street; North 40
- Town land on Turner Road near Morses Pond
- Town land near Ouellet Field off Cedar Street
- Town land near Prospect/Walnut Streets
- NRC land near senior housing on Morton Field
- Sharing space with Recreation Department at Warren Building

After careful consideration of each site, it was determined that none of the sites was a viable alternative.

2012 – A New Look

In spring 2012, the Board of Selectmen reaffirmed that a senior center was a major priority for the Town. Given the passage of time since design work was performed in 2009, concerns raised about the need for a senior center, and the increasing numbers and diversity of the 60+ population, work needed to be done to include new insights and updated information to support healthy living and aging in place. To that end, a review process was developed to review the mission of services and programs for older adults.

Planning Committee

A Planning Committee was formed to review the mission and vision of how Wellesley will meet the needs of older residents, provide updated and supplemental information on the population, services and programs for current seniors as well as the “new seniors” (baby boomers), and to assess the current design. This Committee included:

- Terri Tsagaris, Chair, Board of Selectmen
- Ellen Gibbs, Vice-Chair, Board of Selectmen
- Susan Kagan Lange, Chair, Council on Aging Board
- Gayle Thieme, Director of Senior Services, Council on Aging
- John Schuler, Board, Council on Aging
- Harriet Warshaw, Board, Council on Aging and former chair of Senior Study Committee and Board of Selectmen
- Frederick Wright, Professor of Marketing, Northeastern University, former Recreation Commissioner

The Planning Committee analyzed the demographics and found that by 2030 the 60+ population will be 92 million or 25% of the U.S. population. In Wellesley, seniors currently account for 19%; they remain in the workforce longer, and have a broad range of needs, priorities, interests, and activity levels.

Further benchmarking was conducted, Wellesley's current model for delivery and depth of programming was evaluated, and discussions were held with many town departments and organizations. The following findings were made:

- COA's services and programming for the 60+ group are delivered from a central location which is inadequate;

- The need for services in this population is increasing dramatically;
- Services and programming town-wide for this group are delivered by multiple departments in relative isolation, resulting in some redundancies;
- Coordination of outreach between departments is sporadic and inconsistent.

In addition, the Planning Committee found that:

- 60+ adults want to “age in place” and remain a vibrant part of the community;
- 60+ adults who participate in senior center programs experience a sense of well being when they have a place to socialize, learn, exercise and contribute to community;
- Social interaction enhances mental health and is key to sustaining a high quality of life;
- Regular physical activity contributes greatly to the fitness, health, functioning and quality of life;
- Many 60+ adults rely on senior centers and other aging and social services for their basic needs;
- Baby boomers or “new seniors” have different expectations and needs than those that guided the development of the current system;
- Programs must be innovative and expanded to meet the changing needs and interests: adventure, travel, continuing education, cultural events, evening and weekend programs, opportunities to give back to community;
- We must accommodate all 60+ adults with more of everything – multi-service, a wide range of programs for young, old, fragile, active, retired and working adults.

Based upon these findings, the Planning Committee reached the following conclusions:

- Demographic review: individuals aged 60+ is a growing demographic group that increasingly encompasses a broad spectrum of interest, needs and capabilities;
- Delivery and depth of services and programming can be greatly improved, expanded, and made more efficient by:
 - Creating a central location or hub with appropriate, flexible and thoughtfully designed spaces for offices, services, programs and gatherings for individuals 60+ now and into the future;
 - Integrating and supplementing program delivery across Town departments through evolving relationships, collaboration and leveraging use of multiple venues;
 - Increasing partnerships through communication and coordination among departments to ensure effective, efficient and expanded outreach and programming.

The Planning Committee’s research affirmed the importance of housing the COA administration and mandated and core services in an identifiable, dedicated, accessible location. A new vision – The Collaborative Model - was designed with a centrally located service infrastructure, strengthened and expanded through collaborative programming and use of multiple venues.

Parking Plan

As discussed above, concerns were raised about the adequacy of parking at the AL site. After further reflection a revised plan was suggested which proposed using 8700 square feet of Wellesley Housing Authority (WHA) land and reconfiguring the police station parking lot. The plan would have added 32 additional spaces, 20 for the TPC and 12 for the police (98 existing spaces to be increased to 130). The crosswalk currently located in front of the police station would have been relocated to bring it closer to the AL site and will include a pedestrian activated light.

The New Vision and Paradigm – The Collaborative Model

The research of the Planning Committee demonstrated that many departments and organizations contribute to the well-being of our 60+ population and encourage generational integration. It also recognized the importance of housing the COA administration, and mandated and core services in an identifiable, dedicated, accessible location. These findings resulted in a new concept for the Tolles-Parsons Center – the collaborative model – a service infrastructure with a central location strengthened and expanded by collaboration with other departments and use of multiple venues. This model was developed in an effort to address the growing number and diversity of the 60+ population as well as to increase coordination and collaboration with other departments and organizations by integrating the 60+ population with all generations across town to avoid isolation of seniors, and taking advantage of other spaces in town.

In this Collaborative Model, the Tolles-Parsons Center would serve as the center for COA's mission, services and programs, providing a welcoming and accessible focal point for weaving together the resources of the entire community. The COA staff and volunteer offices would be located and social services and outreach programs for basic needs of some individuals 60+ will take place at the TPC. Additionally, social and recreational activities, life-long learning opportunities and fitness and exercise classes would be housed at TPC.

In order to accommodate all 60+ adults and to expand and enrich the opportunities, it will be necessary to go beyond the walls of the Center and utilize other spaces in Town such as the Library, Recreation Center and schools. The Planning Committee spoke with representatives from many departments including Recreation, Schools, Library, Board of Health, Police and Fire as well as the colleges, private schools and Waterstone at Wellesley in Lower Falls. All were enthusiastic about partnering and collaborating with the COA to institutionalize this collaborative model.

The Review Committee

In order to review the findings of the Planning Committee, the Selectmen created a Review Committee and appointed the following members:

- Heather Sawitsky, Chair
- Jean Boyle
- Tim Driver
- David Himmelberger
- Dona Kemp
- Phil Laughlin
- Todd Himstead
- Kathleen Woodward

The Review Committee was charged with the following:

- Evaluate the collaborative model
 - Creation of central location with appropriate, flexible and thoughtfully designed spaces for offices, services, programs and gathering for individuals 60+ now and into the future;
 - Integration and supplementing delivery across Town departments through evolving relationships, collaboration and leveraging use of multiple venues;
- Review the vision, service delivery approach, programming and space; requirements necessary to meet current and future needs of population;
- Assess 496 Washington Street site as the central location of COA mission, vision and goals;

- Evaluate town-wide resources and how other town departments and organizations might contribute to expanding and strengthening the mission, vision and goals of the COA.

In sum, the Review Committee supported the Collaborative Model and concluded that the AL site was a reasonable and favorable location for the Tolles-Parsons Center. The Report of the Review Committee is included as an exhibit to this report..

Final Proposal from WCC

In February 2013, representatives from the WCC met with Town officials to present a new proposal for locating the TPC at WCC. WCC proposes to construct, own and control a new building adjacent to the current WCC building to house the TPC, with a bridge housing a café to connect the two buildings. An additional 65 parking spaces would be created at the rear of the parking lot.

The Town contacted a representative of WFA and inquired as to whether it would be interested in leasing or selling its land at 219 Washington Street directly to the Town so that the Town could design, construct, and own the TPC at that location. Before moving forward with negotiations between the Town and the WFA, the Town conducted its own due diligence to evaluate whether a new building with adequate parking could fit on the site.

Wellesley Community Center Proposal

The key elements of the proposal were as follows:

- For the WCC to construct, own and control a new building adjacent to the current WCC building to house the TPC under a lease agreement;
- To connect the new building with the current WCC building by a second floor bridge/café;
- To provide an additional 65 parking spaces at the rear of the parking lot abutting the Cochituate Aqueduct (owned by the Town).

In order to evaluate the WCC's proposal, the Town engaged in due diligence and thoroughly evaluated the following:

- Zoning;
- Traffic and pedestrian safety;
- Parking;
- Proximity of site to town services;
- Lease versus ownership of land and cost;
- Site development.

After careful consideration of the issues, the BOS concluded that the Town was best served, both financially and in the delivery of senior services, if the TPC were built, owned and operated by the Town, on Town-owned land, at 496 Washington Street.

Further Appropriation

At the 2013 ATM, an additional appropriation of \$165,300 was requested by the PBC to accommodate programming and design changes, a new traffic study, parking lot design and engineering at the police station, building code review and update and revisions to the Project of Significant Impact application ("PSI") to the Planning Board ("PB"). By a ballot vote of 147-42-3 (76%), TMM approved of the additional request which was to take the project through final design, permitting and request for construction documents.

Original Project of Significant Impact (PSI) Application

Wellesley has a well-established and unique PSI process. Although in many communities, town projects are exempt from their own general site plan permitting, Wellesley chooses to put its municipal projects through the PSI process, demonstrating that the Town adheres to the same guidelines that it imposes on private developers

The PSI process is overseen by the Planning Board (PB) and the proponent submits a PSI application which includes a Municipal Systems Impact Analysis completed by the architect and engineering professionals to be reviewed by Town departments:

- Water by the Board of Public Works (BPW)
- Sewer by the BPW
- Storm drainage by the BPW
- Electrical service by the Municipal Light Board (MLB)
- Traffic, pedestrian and bicycle safety by the BOS (including peer review by the Town's traffic engineer)
- Fire protection and life safety by the Fire Chief
- Refuse disposal by the BPW

Written recommendations of the review departments are subsequently reviewed by the PB and the PSI Applicant before a public hearing. During the course of the PSI process, including the public hearing, the PB may propose specific design alternatives and/or negotiated improvements to municipal facilities in order to meet minimum service standards.

The PBC and BOS filed their original PSI application in August of 2013 with the Planning Board. After two evenings of public hearings, the applicants failed to garner a super majority vote of 4-1 by the PB and the request for the special permit was not approved. The PB cited issues with traffic, parking, pedestrian safety on Washington Street and storm water drainage.

Re-Filing of PSI Application

At the 2013 STM, the BOS requested a supplemental appropriation of \$308,855 from Free Cash to the Permanent Building Committee (PBC) to accomplish two objectives:

- (1) modify and update the PSI with respect to the TPC as a stand-alone senior center; and
- (2) make necessary TPC project modifications to meet the PB statutory standard of making "specific and material changes" in order for the PB to reconsider the application for the Special Permit.

In a standing counted vote of 130-52-3 (70%), TMM approved the supplemental appropriation.

Purchase of 494 Washington Street

In order to address the concerns of the PB, the BOS sought once again to purchase 494 Washington Street, the property abutting the AL site, which would increase the site to about one acre. Town ownership of the Property would allow for the construction of 34 additional parking spaces on the Property, eliminating the need to expand the police station parking lot across the street. Additionally, demand for on-street parking on Washington Street by TPC visitors would be greatly reduced, significantly lessening the need for special accommodations between St. Paul's Church and the TPC, particularly on days when there are large funerals at the Church or major events at the TPC.

The acquisition was overwhelmingly approved by a vote of standing counted vote of 168-35-1 (82%) by TMM. A subsequent referendum to reverse TM's action failed and in June 2014, the Town purchased the property.

New Application for Special Permit for PSI

As a result of the purchase of 494 Washington Street, design and site changes were made to the combined site. It was determined that a brand new PSI application would be filed with the PB that would represent the enhancements to the project and address the previous concerns of the PB. The new PSI application was filed in October 2015 and the special permit was granted by the PB in December 2015. Subsequently, permitting was completed with approvals from the Design Review Board and the Zoning Board of Appeals. The PBC is seeking bids for the construction of the TPC and the BOS will request construction funds at the 2016 ATM. If ATM approves of the proposal, a debt exclusion vote will take place in the spring of 2016.

Board of Selectmen

David L. Murphy, Chair
Marjorie Freiman
Ellen F. Gibbs
Jack Morgan
Barbara D. Searle

Council On Aging

Miguel Lessing, Chair
Diane Campbell
Thomas Kealy
Sandra Budson
Sr. Alice McCourt
William Murphy
Dianne Sullivan
Terri Tsagaris

EXHIBIT I REPORT OF THE TOLLES-PARSONS REVIEW COMMITTEE

Introduction

The Council on Aging (COA) currently operates its senior program in leased space at the Wellesley Community Center. It offers a lunch program and provides support services and programming as space and staff permit. Based on 2011 data, 5 residents on average participate in the lunch program every day, and 65 residents come to the center each day for services or programs.

Several years ago, the COA proposed the construction of a stand-alone senior center at the former American Legion site to provide dedicated space for its programming and services. There have been criticisms of this proposal, including 1) there is a declining need for COA services since the number of seniors in Town is shrinking, 2) the construction is unnecessary due to the a low demand for the COA services, which do not align with the needs or interests of most Wellesley seniors, 3) there are underutilized municipal spaces and resources that could house the COA and its activities, and 4) the American Legion site is too small and doesn't have enough parking.

In response to these concerns, the COA rethought its model and developed a new proposal, originally referred to as the "hub and spokes" model, and more recently named the Collaborative Model. Its focus is to collaborate and coordinate with other Town departments to supplement programming and resources housed at the center. The Board of Selectmen appointed a group of eight citizens to review and evaluate this model.

Charge of the Committee

1. Evaluate the "hub and spokes" paradigm, and its focus on collaborating with other Town departments;
2. Review the programming and space requirements necessary to realize the vision;
3. Evaluate the offerings and resources of other Town departments which could be coordinated with the offerings of the Tolles-Parsons Center; and
4. Assess the 496 Washington Street site as a central hub for the activities of the Council on Aging.

Composition of the Committee

The committee members were selected because of their knowledge of the community and/or their interest and knowledge of aging issues. Members range in age from their 40s to their 70s to insure that the views of both current and future seniors were represented. The committee members had not been previously involved in the planning of the senior center project and bring a fresh perspective to the discussion. The members and their backgrounds are listed in Appendix A.

A summary of the activities of the committee is found at Appendix B.

Threshold Question: Does Wellesley Need a Stand Alone Center?

From the outset, the committee thought it was important to consider the stated opposition of citizens who think a stand-alone center is unnecessary.

Is the Number of Seniors in Wellesley Shrinking?

The 2010 US census counted 5,429 residents in Wellesley aged 60 or older. This represents 19.4% of the total population of the Town. In 2000, the US census counted 4,780 residents

aged 60 or older, which was then 17.9% of the Town. Thus, over the last 10 years, the number of people living in Wellesley over the age of 60 has grown, both in terms of actual numbers and as a percentage of the population. To give some context to these figures, the number of children receiving services from the Wellesley public schools as of October 1, 2012 was 5,032.

All national demographic projections reviewed by the committee predict a significant increase in the number of people aged 60 and older for the next 30 years. We assume Wellesley's population will follow national trends.

Are Senior Centers Outdated?

When senior centers were built in the 1960s, they primarily served as social service agencies, focusing on the needs of low income and frail elderly. Fifty years later, there is still a need to support vulnerable seniors. But there are many other seniors who do not need traditional social services, and will not access a center that is seen as primarily designed for those in need. These seniors are, and seek to remain, socially and physically active, intellectually curious, and involved with their communities. An attractive center designed with the needs of seniors in mind would give them opportunities to socialize, exercise and to pursue both old and new interests.

There are ample examples of senior centers who are addressing the needs of active seniors. These centers have rethought their assumptions, their programming and their physical space to meet the needs of independent seniors, while continuing to support their most vulnerable citizens. In short, they have created a new paradigm, offering a broader array of physical, recreational and educational programming, which involve the seniors in the design, planning and implementation of the programs. The new proposal by the COA represents recognition of this paradigm shift.

If It Is Built, Will They Come?

The committee considered the pros and cons of recommending another survey of Wellesley seniors' interest in a new center. However, the committee decided against it after speaking with an expert in survey research. He explained that a survey sent out to all citizens in a town will not accurately forecast demand, especially for innovative services. The people who respond are likely to hold strong views on either end of the spectrum. Unless there is a carefully designed sample selected to poll, and carefully designed questions that remove bias, a survey is not a good planning tool. Such a survey would cost thousands of dollars, and in the view of the committee, would first require an education program to inform residents about the COA's proposed model.

The expert suggested that for the Town's purposes, the committee could get an indication of the community's likely response by measuring the response of other communities to their new senior centers, and Wellesley's response to its other new facilities. The committee identified the following patterns that seem to be predictive indicators of Wellesley's likely response:

1. The four senior centers we visited which had been built within the last 5 years each experienced a **tripling** in average attendance after the new building was opened. The committee had telephone conversations with six other new senior centers, which reported similar increases.
2. Wellesley has experienced a sustained upswing in use when it has built a new building to house an activity in the last 10 years: the Library, the Warren Recreation Building, and the PAWS pre-school building.
3. The programming that the COA has recently done that is representative of the type of programming it would like to offer regularly has been extremely popular and has attracted numbers far in excess of its average number of participants. Examples are the

lecture series co-sponsored by the COA and the Library (85 attendees), the golfing tournament at Nehoiden (34 participants), the upcoming seminar series offered by Alan Schecter, retired professor at Wellesley College (the 30 spaces filled quickly, with a waiting list of 33).

4. When we visited the new Natick Senior Center, we saw several Wellesley residents participating in programs – people who do not attend Wellesley’s senior center.

Are There Other Municipal Sites That Could Be Used?

The Warren Building is not a viable alternative for the Senior Center. Although the building looks large from the outside, there are not that many program spaces inside. There are some rooms open during portions of the day, but the building is fully utilized by children’s camps throughout the summer. There is no room for the administrative offices of the COA. Parking restrictions imposed on Warren severely limit the number of cars that can be on site at any given time. The building layout and parking limitations at Warren do not allow for a gathering area for seniors, a key component of most centers.

The Community Center, which has housed the senior center for many years, was designed for civic groups who needed a place to meet. Its shortcomings as a senior center have been reviewed and acknowledged by the Selectmen, who fully explored the possibility of remodeling that space with the Wellesley Community Center in 2011. At that time, the Selectmen concluded that the Town would not finance the costs of the needed renovations at the WCC without ownership or control of the building.

Does the Washington Street Site Work as the Site for the Hub?

The site at 496 Washington Street is compact but viable. Assuming a building footprint of 6,000 sq. feet, there is parking on site for 34 cars, including 2 handicapped spaces. There is parking on Washington Street for 41 cars. There are plans to expand the parking on land abutting the police station parking lot, which will yield another 20 spaces, for a total of 85 spaces.

There are concerns that there is not enough on site parking under this configuration, and that parking on Washington Street and across the street is too dangerous. There are also concerns that the traffic on Washington Street will be chaotic when there is a funeral at St. Paul’s and on early release days from the St. Paul’s School.

The committee visited several senior centers that had limited or no on-site parking, and the centers still worked well. As a general matter, the committee observes that the Town has a traffic and parking challenge even without a senior center, and the only way to address these issues is to alter behavior by carpooling, walking, or developing a transportation system that will allow people to access town center without using their cars. The committee also thinks that no site should be required to meet the demands of infrequent events, such as large funerals.

The committee has developed a number of suggestions to help improve the parking and traffic:

- Reconfigure the parking spaces on Washington Street by making the parking spaces deeper, so that when a driver opens the street side door, the door does not swing out into the traffic lane. It would require moving the sidewalk on Washington Street, but it would be a significant improvement to Washington Street.
- Install a pedestrian cross walk and light close to the expanded police station parking lot, with a timer adjusted to the needs of senior citizens.
- Use the COA van to pick up and deliver seniors to the site.
- Explore the possibility of using the specialized vans used to transport special needs students to Sprague to transport seniors with mobility problems during school hours.

- Develop a sticker system for cars so that seniors with mobility issues would be given a priority right to park on site, not on the street.
- Use the sticker system to give seniors an exclusive right to use some of the spaces on Washington Street between the hours of 9 and 4.
- Work with St. Paul's to design a pick up system for early release days that minimizes the disruption on Washington Street. This could include a mutual determination of the safest pick up point and/or giving parents an exclusive right to park on Washington Street during the pick up time.
- Work with St. Paul's so that a system is devised to notify the COA of funerals occurring during the hours of programming so that Washington Street spaces would be cleared for funeral use.

We think that there are a number of very positive aspects with the Washington Street site. First, it is close to the town center and most people will already go near the site as they run their general errands in town. Second, it overlooks a lovely park. Third, St. Paul's would gain access to an additional 54 off street parking spaces on weekends and holidays when the center is not in use. Older parishioners who attend morning mass could easily take advantage of the morning coffee, socializing and programming at the center which could be scheduled to accommodate those attending mass.

The Proposed Collaborative Model

The Collaborative Model envisions that the new building will serve as the central location for COA administration, supportive services and socialization. It will have a kitchen and dining space for the lunch program, and program rooms with flexible layouts to permit a range of activities. One of the most important features of the new building will be a dedicated and attractive area where people can meet, have tea or coffee, and visit with each other throughout the day. This gathering area is seen as key to developing and maintaining a sense of community among the participants in the programming.

The programming offered on site will be supplemented and enhanced by programming collaborations with other Town departments.

Although there is already some collaboration, the committee thinks that ongoing communication and coordination among the various departments will yield a wider range of programs for all ages. This type of collaboration will require active oversight by the Board of Selectmen, which should consider appointing some members to the COA with the expectation that they will serve as liaisons to these other departments. Residents who have previously served on the boards of these town committees would be especially effective.

Currently there is duplication in programming offered by the Recreation Department, the Library and the COA. Duplicated programs could be eliminated, new offerings could be developed, oversubscribed programs could be expanded, and a master calendar of all offerings could and should be developed. The collaboration goes beyond finding rooms in buildings; it should review the talents and resources of each department and make sure they are fully utilized, whether in a classroom, a field trip, or during outdoor activities.

Building sites. Sites that are most likely to be part of the collaboration are:

- The Library:
 - The computer room for computer training
 - The Wakelin Room for large concerts and lectures
 - The Warren Building
 - The gym and dance studio for vigorous exercise programs and indoor walking

- The art and ceramics rooms for painting and ceramics
- The Wellesley Community Center for larger lectures and dining events
- The Wellesley High School for its cafeteria and auditorium

Programming transferred to the Center. As part of the Collaborative Model, some programming and services currently offered elsewhere could be moved to the new senior center, consolidating core services on-site and providing exposure of the offerings of other departments to the seniors. These programs include

- Wellness Clinics offered by the Board of Health
- Some book groups run by the Library staff
- Duplicate bridge and bridge lessons that are oversubscribed at Warren
- Exercise classes designed for the needs of older individuals
- Introductory classes offered by other departments that would subsequently continue off site at the Warren Building or at the Library

Wellesley at Home. The Senior Center could also serve as a resource for the newly formed non-profit, Wellesley at Home, Inc. This is a group of Town residents who have formed an organization to support them in their desire to age in place, and is part of a national movement to organize support and social activities for seniors who want to age in place. Currently Wellesley at Home offers social opportunities and referrals for other services for its members. Its leadership has expressed its enthusiasm for working with the COA to develop programs responsive to the interests of its membership.

Other Programming Resources. In addition to using the physical spaces operated by other Town departments, the Committee sees great potential in programming that takes advantage of other Town resources and human assets. These programs could include

- Outdoor programming through the Recreation Department or the Natural Resources Committee, such as walks, orienteering, surveying plants and trees
- Volunteer opportunities for students: computer trouble shooting, yard clean ups, intergenerational bands
- Volunteer opportunities for seniors: tutoring, advising about career options, mentoring those with entrepreneurial aspirations

This model represents more than a plan to make efficient use of available space. It reflects an intention to provide an expanded roster of offerings that could never all be given in the 12,000 square foot building proposed for Washington Street. It will give intergenerational opportunities to seniors who seek them, reduce traffic and parking issues on Washington Street, and allow the main building to function primarily as a place of social engagement and core programming specific to seniors. It will allow the COA to continue to develop new programs to satisfy the evolving interests of a much broader group of elders. It would provide an expanded frame of reference for all Town departments.

Required Physical Space. The planning for the senior center is still in an early phase. After reviewing the schematic drawings, the committee has concluded that the proposed building will support the core activities of the COA and will not overbuild or duplicate other resources in Town. In terms of refining the schematic design, the committee encourages the COA to remain focused on the following elements:

- A comfortable designated space for people to relax and visit that is not part of the main foyer
- Adequate office space for staff and counseling
- A kitchen that is sized appropriately for the anticipated dining program

- Flexible activity spaces that do not duplicate specialized facilities located in other municipal buildings
- A bright and airy environment

Summary

The need for community resources for seniors has not disappeared, and will only increase in the next two decades. The social phenomenon of having a large cohort of aging people is new, and will require new kinds of community support. It is clear that seniors will have to take charge of their futures. But the community has to provide some support. Just as the baby boomers required towns to build additional schools and playing fields in the 1950s, these boomers will require additional resources to enable them to remain healthy and active members of the community.

The COA has developed a paradigm that would provide these resources to a broad cross-section of seniors. The potential for collaborative programming is evident, and the building schematics align with the programming concepts. Other communities have successfully implemented similar models. We encourage the Board of Selectmen to move forward with the construction of a new senior center without further delay.

Respectfully submitted,

The Tolles-Parsons Review Committee

Heather Sawitsky, Chair

Jean Boyle

Tim Driver

David Himmelberger

Todd Himstead

Dona Kemp

Phil Laughlin

Kathleen Woodward

APPENDIX A
MEMBERS OF THE SENIOR CENTER REVIEW COMMITTEE

Heather Sawitsky, Chair, has been general counsel to a retirement community for 15 years. She has a Masters in Public Health and is focused on developing innovative support and long-term care options for seniors. She was the Town Moderator for 7 years and is currently a Town Meeting Member.

Jean Boyle is the vice president of Wellesley at Home, Inc., a nonprofit dedicated to supporting seniors who wish to age in place by developing a range of programs and contacts for services. Jean has lived in Wellesley for 20 years, participating in many COA offerings. Her background is in marketing and communications.

Tim Driver is CEO of RetirementJobs.com, a career website for people over the age of 50. Its brand and advocacy, helping older Americans more easily engage with their communities, have been recognized in the private and public sectors, including the US Senate and White House. Tim has been a resident of Wellesley for 11 years. He and his wife Lisa, a teacher at the Upham School, have 3 children in the Wellesley schools. Tim also serves on the Wellesley Library Foundation Board and the Wellesley Baseball Board.

David Himmelberger is a near lifelong resident of the Town, who has previously served on the Advisory Committee and Board of Selectmen. He is currently serving as a Town Meeting Member and he and his wife Katie have two girls in the Wellesley school system. David is an attorney with a solo practice in Wellesley.

Todd Himstead is a father of two WPS students who has lived in Wellesley for 16 years. He has been a Town Meeting Member since 2006, a member of the Sprague Field Task Force, and engaged in diverse neighborhood and school efforts for over a decade.

Dona Kemp has been a Town Meeting Member for 25 years, a director on the board of the Wellesley Housing Development Corporation since the board was formed in 2000, and a former member of the Advisory Committee and the Community Preservation Committee. Dona has also served as the President of the Massachusetts League of Women Voters.

Phil Laughlin has been a Town Meeting Member for 10 years. He served as the Vice Chair of the Human Resources Board; Vice Chair of the Advisory Committee; and was a member of the Ad Hoc Facilities Maintenance Committee.

Kathleen Woodward has been a Town Meeting Member for 14 years. She has two children in the public schools and for many years has been active in school budget issues at the grassroots level. Kathleen is a practicing environmental attorney.

APPENDIX B OVERVIEW OF THE COMMITTEE'S WORK

The committee has met weekly for the last two months. At those meetings, it has received input from the following groups:

- The Tolles-Parsons Planning Group
- The Council on Aging,
- Architect Bill Sterling, who developed the schematic design for the new center
- Citizens who had expressed concerns about the construction of a new center
- Representatives of the Library, Recreation and Health Departments

The committee visited the existing site of the Senior Center at the WCC, the proposed site on Washington Street, and the Warren Building. It also toured senior centers in the following towns:

- Belmont Senior Center
- Hopkinton Senior Center
- Malden Senior Center
- Natick Senior Center
- Needham Senior Center

The committee did additional research, reviewing population data, provisions of the Older Americans Act and the Nutrition Services Program, and the work of the National Institute of Senior Centers (NISC), its accreditations standards, and its most recent position paper on the future of senior centers. Members reviewed the programming and building designs of other senior centers that the NISC cited for their innovation and best practices. It reviewed the written comments of citizens who had expressed their concerns about a new center to the Board of Selectmen. Last, but not least, it conducted telephone interviews with representatives of the following senior centers to learn more about their most successful programming, benefits of a new building, cross programming initiatives with other groups, and increases in utilization:

- Agawam
- Duxbury
- Franklin
- Marshfield
- Mashpee
- Northboro

REPORT OF THE COMMUNITY PRESERVATION COMMITTEE

In 2002, the Town of Wellesley accepted the Massachusetts Community Preservation Act (CPA) and formed a Community Preservation Committee (CPC). The membership of Wellesley's CPC is determined by Town bylaw. There are nine members, including representatives from five designated boards: Natural Resources Commission, Planning Board, Recreation Commission, Housing Authority and Historical Commission. Four additional members are appointed by the Moderator, with one of those appointees traditionally recommended by the Wellesley Housing Development Corporation.

In accordance with the CPA, Wellesley set a 1% surcharge on the local property tax. (Taxes on the first \$100,000 of a property's value are exempt from the surcharge as are taxes on certain low-income housing.) The proceeds from the surcharge are used to pursue Community Preservation activities which fall into four categories: open space, historic resources, community housing and recreation.

The Wellesley CPA fund retains 100% of this surcharge revenue. These funds are then matched on an annual basis by monies from the Massachusetts Community Preservation Trust Fund, which is made up of revenues collected statewide from Land Court and Land Registry fees. The State's payment to each CPA community is determined by a statutory formula. For the first five years, that match was 100% but because of declining fee revenues and a growing number of communities adopting the CPA, the match has declined over the last several years. State funds received in FY16, \$321,451 reflect a 29.3% match.

By statute, the CPC is required to allocate a minimum of 10% of all revenues to be expended or placed in a designated reserve for later use in each of three major categories: open space, community housing, and historic resources. At the municipality's discretion, the remaining portion of annual CPA revenues may be used currently or placed in a general reserve fund for future use in any of these three categories as well as for recreation projects. The Town may also appropriate up to 5% of annual CPA funds for "administrative" purposes. Administrative funds are used for clerical support and for professional services in helping to define and analyze potential projects. Administrative funds not expended in any fiscal year are returned to the undesignated fund balance.

For additional background on the Massachusetts CPA, guidelines for communities and statutory requirements, surcharge information and the Community Preservation Trust Fund account balances, go to:

<http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/data-bank-reports/cpa/>

To date, fifty-two projects in Wellesley have been funded, partially or in total, with CPA funds. To see the list of Wellesley CPA projects, go to the Community Preservation Coalition website (and select Wellesley):

<http://www.communitypreservation.org/projects/report?town=Wellesley>.

The 2015 ATM approved appropriations for six projects. The Wellesley Historical Society received a \$6,200 appropriation for the processing and preservation of the Margaret Urann archival collection. The Wellesley Historical Commission received an \$82,000 appropriation for the expansion of its historic plaque program. The Natural Resources Commission received two appropriations, \$20,000 for a study of the erosion of the Morses Pond shoreline and \$100,000 for the development of a comprehensive pond management plan for nine ponds in town. The Library Board of Trustees and the Board of Selectmen received an appropriation for \$2,750 to

undertake a study by an historic preservationist of the second chimney at the Hills Branch Library. The Playing Fields Task Force received an appropriation for \$166,000 to undertake the design and permitting phases of a project to rehabilitate the track and field at Hunnewell Field, across from Wellesley High School. CPC is happy to report that each of these projects is either complete, underway or ready to move into its next phase.

Also this year, in conjunction with the Natural Resources Commission and the Recreation Commission, the CPC undertook a study of the tennis courts at Kelly Field. Using \$5,000 of CPC administrative funds, the consulting firm of Horsley Witten Group was engaged to assess the current conditions of the courts and surrounding area as well as the utilization of this recreation facility. The survey and public input portion of the study is complete and a final report will be issued in the very near future.

This fiscal year saw CPC's first debt service payment on its commitment to the purchase of the North 40 parcel, approved by a Special Town Meeting in the spring of 2015. Beginning in FY17, no appropriation will be made to the Open Space Reserve due to the commitment of CPA funds to the purchase of the North 40 parcel. The CPC financial plan continues to carry entries in future years for possible CPA-eligible projects on the parcel.

Consistent with the Town-Wide Financial Planning process, the CPC has developed a long-range plan reflecting the current expectations of revenues, appropriations and fund balances. The charts below show the different CPC fund balances as of July 1, 2015 with projections through June 30, 2020.

Wellesley CPA Financial Plan: June 30, 2014 to June 30, 2020
Updated 2/29/2016

REVENUE

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Local Surcharge	\$1,017,965	\$1,095,643 107.6%	\$1,150,425 105.0%	\$1,207,946 105.0%	\$1,268,344 105.0%	\$1,331,761 105.0%	\$1,398,349 105.0%
State Match (match %)	\$508,375 51.8%	\$319,760 31.4%	\$321,451 29.3%	\$299,111 26.0%	\$314,066 26.0%	\$329,769 26.0%	\$346,258 26.0%
Interest	\$11,517	\$13,559	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000
Other Revenues		\$1,972					
Total	\$1,537,857	\$1,430,934	\$1,486,876	\$1,517,057	\$1,592,410	\$1,671,530	\$1,754,607

APPROPRIATIONS

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Administrative	\$63,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
WHDC	\$225,000	\$0	\$0	\$0	\$225,000	\$225,000	\$225,000
900 Worcester Street	\$0	-\$2,600,000	\$0	\$0	\$0	\$0	\$0
Fuller Brook Park	\$35,000	\$4,500,000	\$0	\$0	\$0	\$0	\$0
ADA Compliant Dock	\$0	\$16,140	\$0	\$0	\$0	\$0	\$0
Hills Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perrin Playground	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0
North 40	\$0	\$0	\$0	\$100,000	\$250,000	\$250,000	\$250,000
High School Track & Field			\$166,000	\$1,000,000			
WHC Historical Plaque Program			\$82,000				
WHS Archival Activities			\$6,200	\$20,400			
Wellesley Strategic Plan				\$60,000			
Planning Board - Historic Guidelines				\$20,000			
NRC Pond Management Plan			\$100,000				
NRC Morses Pond Erosion Study			\$20,000				
Hills Library South Wall Evaluation		\$2,750					
Other	\$0	\$0	\$200,000	\$450,000	\$450,000	\$450,000	\$450,000
Total from available	\$348,000	\$1,983,890	\$639,200	\$1,715,400	\$990,000	\$990,000	\$990,000

Appropriations funded by Debt

North 40	\$10,000,000						
Debt Service on North 40 (through 2044)			\$550,729	\$548,944	\$553,244	\$550,244	\$552,044

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Planned Reserve Appropriations							
Open Space Reserve	\$145,000	\$145,000	\$150,000				
Additional Prev FY Open Space		\$11,000					
Historic Reserve	\$145,000	\$145,000	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
Additional Prev FY Historic Reserve		\$11,000					
Community Housing Reserve	\$145,000	\$145,000	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
Additional Prev FY Community Housing		\$11,000					
Total Approp for Reserves	\$435,000	\$468,000	\$450,000	\$310,000	\$320,000	\$330,000	\$340,000

Wellesley CPA Financial Plan: June 30, 2014 to June 30, 2020
Updated 2/29/2016

Fund Balances	<u>6/30/14</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/20</u>
Encumbered**	\$5,751,033	\$1,594,238	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Open Space Reserve	\$777	\$730,777	\$630,777	\$505,777	\$380,777	\$255,777	\$130,777
Historic Reserve	\$427	\$76,684	\$191,284	\$351,284	\$516,284	\$686,284	\$861,284
Community Housing Res	\$156,000	\$300,565	\$455,565	\$390,565	\$330,565	\$275,565	\$225,565
Specific Reserves	\$157,204	\$1,108,026	\$1,277,626	\$1,247,626	\$1,227,626	\$1,217,626	\$1,217,626
Undesignated	<u>\$610,790</u>	<u>\$3,288,111</u>	<u>\$2,074,258</u>	<u>\$2,082,371</u>	<u>\$2,151,537</u>	<u>\$2,292,823</u>	<u>\$2,505,386</u>
Total Available	\$767,994	\$4,396,137	\$3,351,884	\$3,329,997	\$3,379,163	\$3,510,449	\$3,723,012
Total Assets	\$6,519,028	\$5,990,376	\$4,351,884	\$4,329,997	\$4,379,163	\$4,510,449	\$4,723,012

**For each year end, funds approved by the ATM are encumbered and no longer in Total Available

Proposed Actions for ATM 2016– CPC Article 19

1. Administrative Funds and Appropriations to Designated Reserves

The Town may appropriate up to 5% of estimated annual revenues for administrative purposes. These funds are utilized primarily for consultants and engineers to help analyze and define potential projects that may receive CPA funding. In addition, these funds finance a part-time administrative assistant who is responsible for all CPC clerical and reporting duties, including maintaining the CPC’s website and on-line access to CPC applications, meeting reports and related materials.

The CPC requests an appropriation of \$65,000. Unused funds appropriated for administrative purposes will revert to the CPA fund undesignated balance.

Under the State CPA, the Town is required to appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues for three designated purposes: Open Space, Historic Resources and Community Housing. The debt service payments on the commitment of CPA funds to the purchase of the North 40 fulfills the required annual contribution to the Open Space Reserve. Therefore the usual 10% appropriation is requested for only the two remaining reserves.

The CPC requests \$155,000 be appropriated to the Historic Resources Reserve and the Community Housing Reserve.

Total Recommended Amount: \$375,000

2. Appropriation to the Wellesley Historical Society

Sponsor: Wellesley Historical Society, Kathleen Fahey – Curator
 Project: Processing and Preservation of Wellesley Historical Society Individual and Family Archival Collections

Recommended Amount: \$20,400

The goal of this project is to ensure the long-term preservation of a number of family and individual collections from some of Wellesley’s most notable residents and make them

accessible to researchers, students and the community. These collections contain manuscripts, photographs, personal correspondence and diaries from Katherine Lee Bates, William Morton, the Hunnewell family and many others. The requested funds will allow the collections to be organized, labeled and preserved, with a Finding Aid created for each individual and family collection and posted on the Wellesley Historical Society website as well as submitted to the Library of Congress/World Cat search engine.

By processing these collections, the WHS is preparing for the eventual digitization of collections, a long-term goal of the historical society.

The CPC is pleased to support this request.

3. Appropriation to the Wellesley Planning Board

Sponsor: Wellesley Planning Board, Heather Lamplough – Planner

Project: Development of Local Historic District Guidelines

Recommended Amount: \$20,000

The Planning Board will undertake a review of Wellesley's historic district guidelines with the intent of strengthening them so that they provide unambiguous guidance on the rehabilitation of existing structures and new construction in Wellesley's historic districts. Wellesley currently has one local historic district encompassing over sixty individual properties and four single-property historic districts. The goal of this project is to provide guidelines that will serve as the basis for the review process and a stronger foundation for the decision-making by the Historic District Commission. In addition, more fully defined guidelines will serve as a resource for Wellesley residents looking to undertake historically appropriate renovations to their homes or businesses.

CPC is pleased to support the Planning Board and the Historic District Commission in these preservation efforts.

4. Appropriation to the Wellesley Planning Board and the Board of Selectmen

Sponsor: Wellesley Planning Department, Michael Zehner - Planning Director

Project: Unified Plan for the Town of Wellesley

Recommended Amount: \$60,000

This request will support the undertaking of a combined effort on the behalf of the Planning Board and the Board of Selectmen in carrying out the statutorily required Comprehensive Plan for Wellesley and the recently endorsed town-wide Strategic Plan. The goals of this Unified Plan as proposed will establish a vision for the future of Wellesley in terms of physical development and preservation as well as by way of setting priorities for decision-making and financial management.

Recognizing that the Comprehensive Plan and Strategic Plan each require data collection, public input and establishment of goals and objectives, the Planning Board and Board of Selectmen have joined forces to develop a consistent, unified visionary plan for the Town. It is anticipated that with the support of ATM, a consultant will be engaged this summer to work with the Town constituencies to develop the Unified Plan.

CPC strongly endorses the concept of a Unified Plan for the Town of Wellesley and is pleased to provide financial support for this effort.

5. Appropriation to the Playing Fields Task Force

Sponsors: Playing Fields Task Force, Tripp Sheehan – Chair, Department of Public Works, School Committee

Project: Hunnewell Field Track and Playing Field Rehabilitation Project

Recommended Amount: \$1 million

This request would fund 1/3 of the construction phase of the rehabilitation of the track and playing field at Hunnewell Field. This project represents the joint efforts of the Playing Fields Task Force, the School Committee, the Natural Resources Commission and the Department of Public Works as well as the successful private fundraising efforts of a volunteer committee. CPA funds were approved at the ATM2015 for the design and permitting phase of this project, acknowledging the demonstrated need for playing fields in Wellesley and the inability to fully utilize this resource due to poor conditions and inappropriate field size for high school athletic programs. If approved, these funds will be made available to the Department of Public Works after the close of the Annual Town Meeting in order for the project to begin later this Spring.

CPC applauds the cooperative spirit of all entities involved in the development of this project and is pleased to support this effort.

Respectfully Submitted,

Barbara McMahon, Chair

Allan Port, Vice-Chair

Stephen Burt

Kathy Egan

Joan Gaughan

Tad Heuer

Catherine Johnson

Susan Hurwitz

Susan Troy

REPORT OF THE FULLER BROOK PARK COMMITTEE

The Fuller Brook Park Committee (FBPC) wishes to report on the progress of the project to preserve, restore and rehabilitate Fuller Brook Park since our report submitted to the 2015 ATM.

The 2014 ATM appropriated funds to implement Phase 4 (construction) of the Fuller Brook Park Preservation Project. A Fuller Brook Park Committee (FBPC), scaled-down from the previous Fuller Brook Park Coordinating Committee, was established by the Town Meeting to continue in an advisory capacity to help oversee the Phase 4 project implementation and construction of Fuller Brook Park. The five-member FBPC is composed of representatives from BPW, WHC, NRC, and Friends of Fuller Brook Park. The fifth member was appointed by the Moderator. The Project Management Team (PMT) of Mike Pakstis, Dave Hickey, Meghan Jop, Brandon Schmitt, and Peter Jackson meets regularly with the FBPC.

On May 15, 2014 the Town entered into a contract with R. Bates & Sons, Inc. of Clinton, MA to construct the project for a contract cost of \$4,324,647, with a projected construction completion of November 2016. Construction activity over the past twelve months has extended from the Washington Street/Maugus Avenue beginning of the Brook Path to and a bit beyond Grove Street. Construction activity can be summarized under four headings: stream restoration, pond dredging, path improvements, and landscape improvements.

Stream Restoration

Stream restoration is designed to improve and enhance the natural characteristics of Caroline and Fuller Brooks, better manage storm flows, improve water quality, and improve aquatic and stream bank habitats. Construction activities have included the following:

1. Installation of granite revetment walls, rock cross vanes, log cross vanes, and in-stream boulder clusters and stream bank stabilization measures on Caroline Brook between Caroline Street and Hunnewell Field and on Fuller Brook from Hunnewell Field to Grove Street. This work covers a stream length of approximately 1.75 miles.
2. Relocation of Caroline Brook downstream of Forest Street to protect sewer infrastructure and to expand and enhance wetland resources.
3. Repair and improvement of drainage outfalls to reduce bank erosion, stabilize structures and improve water quality.
4. Dredging of sections of Caroline Brook between Paine Street and State Street Pond to remove accumulated sediments and increase channel capacity during storm events.
5. Construction of roadway drainage improvements to better capture and treat stormwater runoff before discharge into the brooks.

State Street Pond (Skating Pond) Dredging

Completed construction includes the dredging of State Street Pond (Skating Pond) to remove accumulated sediments, improve aquatic habitat and pond aesthetics, and increase pond capacity during storm events. Project activities related to pond dredging included the following:

1. Construction of dredging operations facilities including access points for equipment access, a bypass channel to direct Fuller Brook around the pond during dredging operations, dewatering areas for sediment storage until soils were dry enough to truck offsite, erosion and sedimentation control facilities to protect wetland resources and water quality, and a truck access site for loading and removal.
2. Approximately 4,800 tons of sediments were excavated from the pond involving excavation equipment operating from the pond itself and from the adjacent shoreline.
3. Site restoration activities have included removing the temporary facilities constructed for dredging operations, regrading and replanting pond banks and areas disturbed by

dredging operations, and installation of new fencing and plantings along the edge of the high school stadium.

Path Construction

The Fuller Brook Park project includes the reconstruction of almost 2.5 miles of the Brook Path extending from Washington Street to Dover Road. This includes providing a consistent path surface, meeting ADA standards for accessibility, filling in missing path segments, and addressing drainage issues on the path. Path improvements on the project to date have included:

1. Construction of approximately 7,600 linear feet, 1.44 miles, of six foot and eight foot wide dense graded crushed stone path from Washington Street to a new raised walkway located between Wellesley Avenue and Brook Street.
2. Construction of five new raised walkway structures, made from pressure treated wood structures with recycled plastic decking and railings (where required), supported on steel helical piles.
3. Improvements to sidewalks, curb ramps, and road crosswalks have begun and will be significantly expanded spring/summer 2016. Areas of the path that still experience drainage problems will be corrected.

Landscape Improvements

Planting and vegetation management are an important element of any major park restoration effort. These actions improve the beauty and ecological health of the park, enhancing the park and open space values for the community.

1. The project included significant tree removals for trees that were in poor health, were of invasive species, or in the way of other important elements of the construction. The overall effect is to make the landscape more open for vistas and sunlight and to enhance views to the brook and to beautiful park structures that had become overgrown.
2. To date over 550 trees and shrubs of native plant species have been planted in the park between Seaward Street and Wellesley Avenue. In addition, several hundred native perennials and grasses have been planted, most often in association with stream restoration activities.
3. Seeding of five different grass seed mixes have been planted over 5.25 acres of parkland. These include lawn grasses where lawns have been disturbed, and four native grass mixtures for wetlands, wet meadows, woodlands, and stream banks.
4. Removal of invasive plant species is an important part of the vegetation management for the park project. To date the contractor has removed about 2.15 acres of invasive vegetation comprised of twelve different species.

Spring and summer of 2016 will be an active time for construction throughout Fuller Brook Park. Continued stream restoration efforts will be focused on the part of the park between Grove Street and Dover Road. Path construction will extend from the raised walkway near Brook Street to Dover Road. We anticipate two seasons of landscape plantings will include areas between Wilson Street and Grove Street (Spring 2016) and between Grove Street and Dover Road (Fall 2016).

Through January 2016, the Contractor has completed \$2,954,957 of work or 67% of the contract amount. We have processed twelve change orders for a total of \$66,564. The project is on budget with modest cost increases offset by currently projected project savings. Our consultant, BETA Group, Inc., has spent \$162,490 or 50% of their budget to provide construction support services.

Last year we announced that the project was selected to receive a 319 Grant for Water Quality Improvements from the federal EPA. This \$337,000 grant will reduce the town's cost for the project. To date we have submitted reimbursements for \$326,169.

The Fuller Brook Park Preservation Project has a website through which residents can track project activities and read weekly updates and see photographs of progress of the work. www.wellesleyma.gov/Pages/WellesleyMA_DPW/projects/FullerBrook,

Respectfully Submitted,

Diane Campbell, Chair
Paul Criswell (BPW)
Heidi Kost-Gross (NRC)
Kurt Somerville (Friends of Fuller Brook)
David Wright (Historical Commission)

REPORT OF THE NATURAL RESOURCES COMMISSION ON PROPOSED SINGLE-USE PLASTIC CHECK-OUT BAG BYLAW

The Wellesley Natural Resources Commission proposes the Single-Use Plastic Check-Out Bag Bylaw to protect the Town's unique natural beauty and irreplaceable natural resources by reducing the number of single-use plastic check-out bags that are distributed in the Town of Wellesley, and to promote the use of reusable bags.

The Problem of Plastic Litter

The NRC has been concerned for some years about the rising tide of plastic trash in Wellesley's parks and conservation areas. Volunteer clean-up projects invariably produce bag fulls of plastic, and years of scientific research have shown that plastic bags in particular are a hazard for wildlife, clog storm drains, and never biodegrade. Much of our plastic litter makes its way into the Charles River and out into the sea where it poses a serious danger to marine life and to the future of our oceans. Massive plastic "islands," some as large as the state of Texas, are now a feature of the ocean environment. The World Economic Forum (known for its annual meeting of world leaders in Davos, Switzerland) estimates that by 2050, there will be *more plastic in the oceans than fish*, pound for pound.

Plastics are also contributing to the dramatic effects of climate change. Most plastics, including plastic check-out bags are made of polyethylene, a synthetic resin composed of non-renewable fossil fuel derivatives. In the United States, we use and dispose of 100 billion plastic bags every year -- and those bags require an estimated 439 million gallons of oil to manufacture.

Plastic bags are particularly problematic in the environment because they do not biodegrade -- they simply break apart into smaller and smaller pieces, and even that process is estimated to take 1,000 years. Meanwhile, birds and other wildlife become entangled in the bags and sea turtles mistake the floating bags as food (sea jellies), resulting in thousands of animal deaths each year.

Plastic Bags in Wellesley

In December 2014, the Natural Resources Commission, the Department of Public Works (DPW), and the Wellesley Sustainable Energy Committee (SEC), formed the 3R (Reduce, Reuse, Recycle) Working Group to better understand how Wellesley residents, institutions, and businesses handle their waste. Our first initiative was to organize the workshop, "Garbology 101, Talking Trash with Wellesley's Recycle and Disposal Facility," which featured a detailed review of RDF operations. RDF Superintendent Gordon Martin (now retired) announced at the workshop that the RDF would no longer recycle plastic bags for the following reasons:

- **Market collapse:** With the price of oil so low, plastic manufacturers are able to buy petroleum derivatives more cheaply and prefer not to use recycled plastic.
- **Storage challenges:** To recycle the bags, the RDF needed to fill at least one trailer and pay \$40 a ton to have them collected for recycling. The large space needed to store the bags interfered with the flexibility needed to collect other, more valuable recyclables and created sanitation issues.

- **Litter problem:** Plastic bags are extremely difficult to contain; they are easily caught by the wind and blow all over the RDF property and into the surrounding wetlands.
- **Loss of productivity:** Loose bags clog the RDF's baling machine - the heart of the recycling operation - resulting in hours of lost productivity and costly repairs to the machine.

Research and Outreach

This decision by the RDF to stop collecting plastic bags for recycling was a major impetus in our research on banning plastic bags in Wellesley. We found that 18 Massachusetts communities have regulated the use of plastic check-out bags. There is a wide range among those 18 ordinances -- from bans that include all plastic bags, polystyrene products, and all retailers -- to bans that specifically target plastic shopping bags of a certain thickness distributed by large retailers only. Our effort to determine what would be most appropriate for Wellesley included the following efforts:

- **External research:**
 - Interviewed officials in communities with existing bag bans.
 - Reviewed the provisions of the existing bans in Massachusetts and elsewhere in the U.S.
 - Consulted with State Representative Alice Peisch regarding proposed state legislation. (Rep. Peisch is a co-sponsor of HR 663.)
 - Consulted with Sierra Club representative tracking the development of bag bans in Massachusetts.
- **Outreach to Wellesley business community:**
 - Consulted with executives from Roche Brothers and Whole Foods.
 - Consulted with Demien Wendrow, president of Wellesley Square Merchants Association (and owner of the London Harness).
 - Consulted with Maura O'Brien, CEO of Wellesley Chamber of Commerce.
 - Worked with 3R Working Group partners to organize a group of volunteers to conduct informal surveys of more than 30 local merchants about their waste and recycling habits in general, and specifically, whether they felt a ban on plastic check-out bags would hurt their business. Survey results indicated little resistance to a ban on plastic check-out bags. Many retailers are already using paper bags.
- **Outreach to Wellesley residents:**
 - Informal surveys at public events and online. Of 108 responses concerning a possible plastic bag ban, 85 were definitely or maybe in favor.
 - Public discussion and showing of the film "Bag It: Is Your Life Too Plastic?" at UU Wellesley in September 2015 (co-sponsored by UU Wellesley and independent grassroots group Sustainable Wellesley).
 - NRC public hearing on February 11, 2016.
 - Multiple NRC email newsletters.
 - Presentations to local groups, including PTOs, garden clubs, and Wellesley Green Collaborative.

In addition, on February 20, 2016, the NRC hosted the statewide Mass Green Summit on plastics reduction at the Wellesley Free Library, which was organized by the Mass Green Network and co-sponsored by the Toxics Action Center, Sierra Club MA, MassPIRG, and the Wellesley NRC. The all-day conference was attended by about 100 people from 35 towns in Massachusetts, including many Wellesley residents. Attendees heard about the environmental impacts of plastic bags from experts from New England Aquarium, EPA, MA Toxics Use Reduction Institute, Casella Waste Systems, and the Humane Society. Representatives from ten communities that have already passed plastic bag bans shared their experiences and lessons learned.

The Proposed Bylaw

The various avenues of our research helped us refine the provisions of the NRC's proposed ban. A few notes to explain the key provisions:

- **Restrictions on bag thickness:** The ban will restrict distribution of single-use plastic check-out bags less than 4 mils in thickness. The average single-use check-out bag is roughly 1.5 to 2 mils. By setting the specified thickness relatively high, we hope to avoid the experience of other communities in which bags were distributed that were just slightly above the thickness limit.
- **Bags that are exempt:** Produce bags, newspaper bags, dry-cleaning bags, and other plastic film products are not included in the ban. (We note that these bags do pose an environmental hazard and are restricted in some other communities. Currently, Whole Foods and Roche Brothers still accept these bags for recycling.)
- **Timing for compliance:** The ban will eventually apply to all retail stores in Wellesley:
 - Stores larger than 3,500 square feet will be required to comply within 6 months or by January 1, 2017, whichever is later.
 - Stores under 3,500 square feet will have a year to comply. This provision
 - Allows smaller retailers a little more time to comply, given that they may have only one outlet and will not be able to transfer their plastic bag inventory to another location.
 - Creates consistency and fairness for retailers throughout Wellesley -- rather than banning plastic bags only in larger stores, as ordinances do in some other communities.
- **Specifications for paper bags:** Paper bags must be 100 percent recyclable, and contain 40 percent post-consumer recycled content. This provision is included because
 - Paper bags have a higher carbon footprint than plastic bags, and banning plastic bags is likely to increase the number of paper bags distributed in Wellesley. Requiring post-consumer recycled content may mitigate the carbon footprint somewhat. The 40 percent post-consumer recycled content also appears to be a widely accepted industry standard and, therefore, should not impose an undue burden on retailers seeking to comply.
 - Some currently distributed "paper" shopping bags have a plastic coating which makes them essentially equivalent to plastic bags; they are not recyclable and will contaminate the paper recycling stream, resulting in lower value from the Town's recyclables and lost revenue. Because of the plastic coating, these bags do not biodegrade in the environment. Under the proposed bylaw, some stores

may have to change from non-recyclable, coated paper shopping bags to shopping bags that can be recycled. We believe this is a desirable shift for our community, given that Wellesley residents bear the cost of disposal for those non-recyclable bags. As landfill costs continue to rise, all bags distributed in Wellesley should be recyclable so that there is at least the possibility of keeping them out of the landfill.

- **Specifications for reusable bags:** The particular specifications for allowable reusable bags are included in the proposed bylaw in order to avoid the experience in other towns in which plastic bags have been restricted, but retailers have switched to thicker plastic bags described as “reusable.”
- **Enforcement:** The NRC is grateful to the Board of Health for supporting this bylaw and for the board’s willingness to accept responsibility for enforcement. The members of the Board of Health and Director of Public Health Lenny Izzo have reviewed the proposal and have determined that it will not require additional staff for enforcement.

The NRC is committed to long-term public education to promote the reduction of plastics in our environment. We hope that with an increase in public awareness, more and more Wellesley residents will use reusable bags for all their shopping. Reusable bags are inexpensive and easily available; they help avoid litter; they do not burden the landfill; and they save money for merchants by reducing the number of bags they distribute.

Respectfully submitted,

Stephen Murphy, Chair
Lise Olney, Vice Chair
Raina McManus, Secretary
Joan Gaughan
Heidi Kost Gross

REPORT OF THE PLANNING BOARD

In accordance with the provisions of Section XXVIA, *Notice for Public Hearings*, of the Zoning Bylaw, and Chapter 40A of the General Laws of the Commonwealth of Massachusetts, the Planning Board convened a duly advertised public hearing on Monday, March 7, 2016 on the proposed amendments to the Zoning Map and Zoning Bylaw as contained in the Warrant for the March 28, 2016 Annual Town Meeting (Articles 28 and 29). Following the public hearing and as further required by the Zoning Bylaw and General Laws of the Commonwealth of Massachusetts, the Planning Board produced this Report with recommendations on the articles for consideration by Town Meeting.

Article 28 - Amendment of the Zoning Map to Rezone Properties Owned by the Natural Resources Commission

Final Recommendation - Adoption

(Planning Board voted 3-0; Associate Member Lara Pfadt also in favor of Adoption)

Article 28 was initiated and is cosponsored by the Natural Resources Commission and Planning Board, and proposes to rezone twenty-eight (28) parcels owned by the NRC. Twenty-seven (27) of the properties are currently located in the Single Residence District zoning district, as well as either the 10,000 Square Foot Area Regulation District or 20,000 Square Foot Area Regulation District; one property is located in the Educational District zoning district. The 28 affected parcels encompass the land commonly known as Morton Park, Beebe Meadow, Simons Park, Elm and/or Clock Tower Park, Reeds Pond and Bogle Brook, Kelly Memorial Park, Rockridge Pond, Fuller Brook Park, Hunnewell Field and Reidy Field, the Parkway, Caroline Brook, and Phillips Park. The Article proposes to amend the Zoning Map and the Zoning Bylaw by rezoning all of the parcels to the Conservation District zoning district.

Rezoning these properties to the Conservation District is a recommendation of the Comprehensive Plan, which states that the Town should “Ensure that all park and conservation land is placed in the “Conservation” zoning district.”

The Planning Board is of the opinion that the Article and proposed motion is a best practice and furthers the recommendations of the Comprehensive Plan. The properties are presently located in the Single Residence District (and applicable Area Regulation Districts) or Educational District zoning districts, districts which are not necessarily compatible with the current and intended use of the properties as parks, open space, recreation, and/or conservation. For example, the principal permitted use in the Single Residence District is one-family dwellings, a use that is not permitted in the Conservation District. The Conservation District zoning is more fitting for the current and anticipated long-term use of these parcels, and it is best practice that the zoning of properties should match the actual and intended use of the properties.

Therefore, based upon the above, the Planning Board supports the amendments proposed under Article 28.

Article 29 - Re-Adoption of the Zoning Map as Amended

Final Recommendation - No Motion

(Planning Board voted 3-0; Associate Member Lara Pfadt also in favor of No Motion)

Article 29 was initiated and is sponsored by the Planning Board. The intent of the Article was to seek re-adoption of the Zoning Map as it may be amended by Town Meeting action under Article 28. This would be a new practice for Town Meeting, and is perhaps redundant, but would serve to reinforce the affect of action under Article 28 (or a similar such Article in the future) on the full

Zoning Map. However, based upon discussion and consultation with Town Counsel, the Planning Board intends to seek no motion under this Article at this Town Meeting. The Planning Board is of the opinion that further consideration of corrections to the Zoning Map, information displayed on the Map, and the process for updating such information is necessary before bringing an action such as this to Town Meeting. Town Counsel has advised that action under this Article is not necessary to affect any changes approved under Article 28.

Therefore, based upon the above, the Planning Board intends to make no motion under Article 29.

WELLESLEY PLANNING BOARD

Deborah Carpenter, Chair
Catherine Johnson, Vice Chair
Harriet Warshaw, Secretary
Jeanne Conroy
Sara Preston
Lara Pfadt, Associate Member

REPORT OF THE SCHOOL COMMITTEE AND BOARD OF SELECTMEN ON THE HARDY, HUNNEWELL AND UPHAM FACILITIES PROJECT

Under Article 22 of the 2016 Annual Town Meeting, the School Committee and Board of Selectmen are seeking an appropriation of \$200,000 from Free Cash for the purposes of further enrollment and traffic studies and scenario refinement related to the facilities needs at the Hardy, Hunnewell and Upham elementary schools.

The enrollment and traffic studies and scenario refinements will be carried out by a new HHU Advisory Committee, which as of this writing is being created by the School Committee and Board of Selectmen. This committee will include Town board members, Town staff, parents and community members, and will use this additional study data to provide a recommendation to the School Committee and the Board of Selectmen on a master plan for Hardy, Hunnewell and Upham.

Upon this recommendation, the School Committee will select a master plan, and jointly with the Board of Selectmen move forward with a request for funding for the feasibility phase of the project, either at a Special Town Meeting in the fall of 2016 or at the 2017 Annual Town Meeting.

Both the School Committee and the Board of Selectmen are committed to continuing to engage with members of the Wellesley community to find a solution that: provides elementary students with modernized buildings that fit current educational standards; is fiscally responsible for the Town; is reasonably feasible to execute; takes into account future enrollment needs; and addresses other important considerations such as traffic and retaining the Town's successful, long-standing model of neighborhood schools.

The School Committee and the Board of Selectmen recognize that the recommendation of the School Facilities Committee has generated a significant community reaction, and is an emotional issue for many town residents. Ultimately, the Town will have to balance the data, analysis and fiscal considerations against the emotional and cultural issues surrounding the Town's current configuration of elementary schools.

Background

The need for extensive repairs, renovations and/or reconstruction at Hardy, Hunnewell and Upham schools has been well documented. See: the Report of the School Facilities Committee in the *Advisory Report to the 2013 Special Town Meeting*, pages 46-49, as well as the *Advisory Report to the 2015 Annual Town Meeting*, pages 109-114.

All three buildings have major systems and modular classrooms that are at the end of their useful lives. Any renovations must also include the removal of hazardous materials, and given the age of the buildings significant updates will be required to bring the facilities up to current building code. In addition, the three buildings do not meet the current programming needs of the Wellesley Public Schools.

School	Educational Program Deficiencies
Hardy	Lacks appropriate SpEd/ELL and teacher work spaces. Lacks cafeteria space. Inadequate kitchen serverly space.
Hunnewell	Lacks appropriate SpEd and teacher work spaces. Lacks cafeteria space. Inadequate kitchen serverly space. Gym significantly undersized.
Upham	Lacks appropriate SpEd and teacher work spaces. Inadequate kitchen serverly space. Lacks cafeteria space. Total school capacity undersized for operational and programmatic effectiveness.

A 2012 study by architects Symmes Maini & McKee Associates (SMMA) detailed the deficiencies of Hardy, Hunnewell and Upham as well as needs at the Town's other school buildings. In early 2013, the School Facilities Committee (SFC) was assembled to conduct further analysis of the data provided by SMMA and the previous School Facilities Master Planning (SFMP) Task Force. The SFC conducted many open meetings over a period of more than two and one half years. These meetings were open to the public, and agendas and minutes are available on the Town website. The SFC reported to the School Committee and Board of Selectmen in televised, open meetings. Town Meeting was updated when funding was requested at the December 2013 Special Town Meeting and the 2015 Annual Town Meeting.

SFC Analysis and Recommendation for HHU

Based on the significant needs at all three schools, the SFC began considering many potential scenarios, including:

- Major school renovations and the replacement of all modular classrooms at each school;
- Replacement of one school and renovation of the two others;
- Replacement and expansion of one school; renovation and the replacement of modulars at a second school or expansion of the second school; and closure of the third school.

Additionally, in 2013 the School Department contracted with Cropper GIS to develop forecasts based on Wellesley's demographics, historical trends, economic trends and real estate activity. The enrollment forecasts provided extensive data to the SFC as it considered how many classrooms, and therefore schools, would be needed. Peak elementary (K-5) enrollment was in 2008-09 with 2,481 students. Since that time, enrollment has declined to 2,307 students for the 2015-16 school year. The 2013 Cropper report extends through the 2023-24 school year, in which it forecasts an elementary enrollment of 1,994 students, a decrease of nearly 500 students from 2008-2009 and more than 300 students below current enrollment.

Despite this forecasted enrollment decline, the SFC judged that the Town should maintain capacity to handle some level of potential enrollment increase in the future. The SFC concluded that planning for an enrollment of 2,500 students, slightly greater than the 2008-09 peak, was prudent. Bates, Fiske, Schofield and Sprague can accommodate just over 1,600 students. The required capacity at HHU of 900 students corresponds to approximately 7 sections (classrooms) per grade level.

The SFC also determined that a three-section school (three classrooms per grade level) is the desirable **minimum** school size for several reasons: it is easier to balance class size; there is more flexibility with student placement; there is increased opportunity for collaboration and professional development with more teachers per grade; there are economies of scale in the construction of a school larger than 2 or 2.5 classrooms per grade (the current sizes of the Hardy, Hunnewell and Upham buildings); and there are operating cost efficiencies with larger school sizes. (Bates, Fiske, Schofield and Sprague are all three-section schools.)

After Town Meeting's approval of \$90,000 in funding at the December 2013 Special Town Meeting, the SFC reached an agreement with SMMA to assist in development of a master plan for HHU. By spring of 2014, the SFC began to see consolidation from three to two schools as desirable, based on the targeted minimum school size and the 2,500 total enrollment capacity.

By unanimous decision, Annual Town Meeting in 2015 appropriated an additional \$50,000 for further study of the possible renovation, reconstruction, addition, consolidation or replacement of the Hardy, Hunnewell and Upham schools.

The SFC considered various options developed by the SMMA through the spring of 2015 and consulted with BETA Inc. regarding traffic considerations if the Town were to consolidate elementary schools. Given the location of Hunnewell School south of major traffic chokepoints, the SFC concluded that closing that school would be problematic.

After further consideration of both traffic challenges, particularly on Weston Road, and of the town's natural boundaries (including Route 9, Washington Street and railroad tracks), the SFC developed its recommendation:

- Build a new, 4-section school (528 student capacity) behind the current Upham School while continuing to occupy the existing building and temporarily relocate students as necessary to vacate Hunnewell.
- Renovate and expand Hunnewell from its current 2.5 sections (15 classrooms/330 students) to 3 sections (18 classrooms/396 students).
- Close Hardy and redistrict into the six remaining schools.

As part of this process, the SFC developed a map of conceptual school districts to ensure that a viable redistricting configuration was feasible. The resulting map produced districts that fell largely within the Town's natural boundaries, and were very similar to the school districts that existed in Wellesley from 1982 to 2002, when the Town had six neighborhood schools.

The SFC voted 8-0 to recommend this option. Voting members of the SFC in August 2015 were: Judy Belliveau, WPS Assistant Superintendent; Sharon Gray, School Committee; Tom Goemaat, community member; Matt Kelley, School Committee and SFC chair; Hans Larsen, Executive Director; David Lussier, Superintendent; Joe McDonough, Facilities Maintenance Director; and Jack Morgan, Board of Selectmen. This recommendation was presented at a series of public forums beginning in September 2015.

HHU Parent Advisory Committee (HHU PAC)

For the School Committee, the SFC community forums marked the transition from the SFC's analysis of available options to seeking wider community input on those options, prior to making any decision. Recognizing the level of concern from many town residents, particularly in the Hardy community, the School Committee created the HHU Parent Advisory Committee, consisting of parent representatives from each elementary school and PAWS.

The charge of this committee was *to provide a recommendation to the School Committee for a comprehensive town-wide solution to facility needs at Hardy, Hunnewell and Upham based on School Committee guidelines and previous School Facilities Committee work.*

The committee included parent representatives chosen by the PTOs of Bates, Fiske, Hardy, Hunnewell, Schofield, Sprague, Upham and PAWS. This 15-member committee met seven times, with most of the meetings continuing for three hours or more. Meetings were open to the public and several were recorded by Wellesley Public Media for later viewing. Every meeting but

the first was facilitated by Wellesley resident Lisa Hicks, whose work has involved group facilitation with education stakeholders for more than 20 years.

HHU PAC members reviewed data, information and potential scenarios developed by the SFC, as well as additional three-school scenarios developed by SMMA in response to requests from members of the community. The final meeting of the HHU PAC was held on January 21, 2016. All 15 members agreed upon a list of guiding principles for School Committee:

- Any solution must include a clear plan for swing space that minimizes disruptions to students, faculty and staff. The plan should include identification of swing space, student placement plans and transportation plans.
- A new enrollment study should be performed to provide the most accurate, up-to-date projections, ideally using multiple or different methodologies.
- The solution should provide for more flexibility relative to the ebbs and flows of enrollment year to year and ensure capacity for future needs in order to limit redistricting in the future.
- Preserve the town-wide concept of neighborhood schools.
- In order to ensure community buy-in, the process should be transparent to all town citizens, and especially to those most affected (whether through closure, rebuilding, or redistricting). Methods could include forums for community input, more broad communication of open meetings and other grass roots efforts.
- If the final recommendation is to close a school, recognize the emotional impact of the decision. In addition, emphasize the importance of maintaining the building and/or fields as a community asset and make efforts to get a commitment from the town that they will remain as such.
- Provide a recommendation that the School Committee is most confident will be supported town-wide, and balances the educational needs of Wellesley's students with being fiscally responsible to the taxpayers in Wellesley.
- Revisit the traffic impact to the neighborhoods surrounding all affected schools, including the impact of closing the school, of opening a larger school at an existing location, and additional ways to alleviate traffic issues around the affected schools.

In addition, the HHU PAC members agreed to vote on three different recommendations to School Committee. The group did not come to a consensus, although two-thirds supported consolidation of some form into six schools if the Cropper forecasts are determined to be accurate. The results were as follows:

- Accept the SFC Recommendation as drafted: **Yes – 3, No – 9, Abstain – 3**
- Subject to feasibility enrollment study corroborating current projections, support consolidation and closing a school with additional data to determine which school: **Yes – 7, No – 4, Abstain – 4**
- Support continuing efforts to find a seven-school solution: **Yes – 4, No – 8, Abstain – 3**

Detailed individual statements from each of the 15 members are available to read at wellesleyma.gov/HHU, as are the voted guiding principles and minutes from each of the HHU PAC meetings. The School Committee would like to thank Ms. Hicks for her service as moderator, and the parent representatives for their thoughtful and dedicated work.

The Options

In all, six different options were seriously considered and reviewed by either the SFC and/or the HHU PAC. The table below describes each of the six options, including their estimated cost to the Town, resulting capacity, projected life span of the buildings and a summary of the

construction plan. These construction plan summaries illustrate the complexity of the project and the difficulty of creating suitable classroom space for students while construction is ongoing.

HARDY, HUNNEWELL, UPHAM – OPTIONS OVERVIEW

Option No.	Description	Resulting Elem. Capacity	Bldg. Lifespan	Construction Plan	Estimated Cost Per SMMA ¹
3	<ul style="list-style-type: none"> • New Hardy – 4 sections, 528 students • Renovation/addition to Hunnewell – 3 sections, 396 students • Close Upham 	2,530 students, 115 sections	50 years	Build new Hardy at rear of site while operating old Hardy (18 months); Move Hunnewell students into new Hardy; Renovate Hunnewell (18 months); Open Hunnewell & redistrict into 6 schools; Demolish non-historic part of old Hardy	\$91M
5	<ul style="list-style-type: none"> • New Upham – 4 sections, 528 students • Renovation/addition to Hunnewell – 3 sections, 396 students • Close Hardy 	2,530 students, 115 sections	50 years	Build new Upham at rear of site while operating old Upham (20 months); Move Hunnewell students into new Upham, Renovate Hunnewell (18 months); Open Hunnewell & redistrict into 6 schools; Demolish old Upham	\$96M
7A	Repairs Only to existing Hardy, Hunnewell, Upham	2,508 students, 114 sections (same as current)	25 years	Install modulars at one or more elementary schools or Town site to house up to 330 students (3 years) - OR - locate rental space usable as school; Repair schools in unspecified order (12 months each); Repairs/Code compliance only - no upgrades or improvements to interior or sites; No or limited redistricting	\$64M
8	<ul style="list-style-type: none"> • New Upham - 2 sections, 264 students • “Mostly New” Renovated Hardy - 2.33 sections, 308 students • Renovation/addition to Hunnewell - 2.5 sections, 330 students 	2,508 students, 114 sections (same as current)	50 years	Build new Upham at rear of site while operating old Upham (20 months); Move Upham students into new Upham; Move Hardy students into old Upham plus 3 temporary modular classrooms; Renovate Hardy (18 months); Move Hardy students into “mostly new” Hardy; Move Hunnewell students into old Upham; Renovate Hunnewell (18 months); Move Hunnewell students into renovated Hunnewell; Demolish old Upham; No or very limited redistricting	\$116M
9	<ul style="list-style-type: none"> • New Upham - 2.5 sections per grade, 330 students • “Mostly New” Renovated Hardy - 2.5 sections per grade, 330 students 	2,596 students, 118 sections	50 years	Build new Upham at rear of site while operating old Upham (20 months); Move Hardy students into new Upham; Renovate Hardy (18 months); Move Hardy students into “Mostly New” Hardy; Move Hunnewell	\$126M

¹ Assumes construction start date of fourth quarter of 2018, except for Scenario 7A, which would begin construction in third quarter of 2019. Full reports available at wellesleyma.gov/hhu.

	<ul style="list-style-type: none"> • Renovation/addition to Hunnewell - 2.5 sections per grade, 330 students 			students into new Upham; Renovate Hunnewell (18 months); Move all students into finished buildings; Demolish old Upham; Moderate redistricting	
10	<ul style="list-style-type: none"> • New Upham - 3 sections per grade, 396 students • “Mostly New” Renovated Hardy - 3 sections per grade, 396 students • Renovation/addition to Hunnewell - 3 sections per grade, 396 students 	2,794 students, 127 sections	50 years	Build new Upham at rear of site while operating old Upham (20 months); Move Hardy students into new Upham; Renovate Hardy (18 months); Move Hardy students into “Mostly New” Hardy; Move Hunnewell students into new Upham; Renovate Hunnewell (18 months); Move all students into finished buildings; Demolish old Upham; Moderate redistricting	\$140M

While the North 40 was considered as a potential site for a new building, its proximity to Hardy also made it clear that the decision would be a choice between building on the North 40 or at Hardy, as having two schools in such close proximity, in a high traffic area, did not make sense.

There was initial thought that building on the North 40 would provide advantages over building at Hardy, in terms of reduced constraints and potentially in reduced costs, but SMMA determined there was no significant advantage to building on the North 40 instead of Hardy. The Town’s traffic consultants concluded that traffic issues at the North 40 would be at least as challenging as at Hardy. In addition, with approximately half of the town elementary students living north of Route 9, the SFC concluded it would be undesirable to locate a new school further south along Weston Road.

One side effect of this determination is that it leaves the North 40 open to other uses the Town might choose for it, decisions that can be made on a schedule of the Town’s choosing, rather than being forced to act quickly to address the urgent needs at Hardy, Hunnewell and Upham.

Next Steps

The new HHU Advisory Committee will focus on two key areas, enrollment and traffic, before refining the analysis of scenarios and making a recommendation to the School Committee and the Board of Selectmen.

Enrollment and School Size

Future enrollment is a critical consideration in determining whether to consolidate from seven elementary schools to six. It helps to think about future enrollment, future capacity, and how many students might end up at each school as enrollment declines. As earlier outlined, the SFC, the School Committee and the WPS administration have supported a three-section school as the minimum preferred school size. However, if all seven elementary schools remain open at their current sizes and enrollment declines as forecasted in the 2013 Cropper report², all Wellesley elementary schools are likely to fall below a full three-section school by the 2023-24 school year. Hardy, Hunnewell and Upham all would fall to two sections (264 students) or fewer. In 2015-16, Upham has 11 classrooms; with the Cropper decline, it likely would fall to 10 classrooms.

² Thus far, enrollment is declining slightly faster than forecasted by Cropper. See: WPS FY16 Enrollment Report, October 1, 2015, at <http://www.wellesleyma.gov/hhu>.

If enrollment declines as forecasted in the Cropper report, by the 2023-24 school year, enrollment at each of the elementary schools will be notably lower than today. The following table shows the projected enrollment at each elementary school, assuming redistricting were performed to balance capacity throughout the district.

School	Capacity	Enrollment	% Utilized
Bates	418	332	79
Fiske	374	299	80
Hardy	308	246	80
Hunnewell	330	264	80
Schofield	396	316	80
Sprague	418	332	79
Upham	264	211	80
Totals	2,508	2,000	80

Alternatively, if the projected enrollment were consolidated to six schools, those six schools would all be similar in size to the schools today.³ Again assuming redistricting to balance capacity, enrollments would be as shown in the following table.

School	Capacity	Enrollment	% Utilized
Bates	418	331	79
Fiske	374	296	79
Schofield	396	313	79
Sprague	418	330	79
Renovated School	396	313	79
New School	528	417	79
Totals	2,530	2,000	79

In this scenario, numbers across the district are more balanced, and the cost to the Town to complete the modernization of its elementary schools is significantly less than with rebuilding/renovating all three schools. Additionally, this scenario would capture approximately \$500,000 in annual operational savings that would result from closing a school. These savings would include the salary and benefits costs associated with positions that would be eliminated, including a principal, secretary, nurse and librarian. There would also be some savings due to improved energy efficiency resulting from upgraded building envelopes and systems.

The appropriation under Article 22 would include funding for updating the Cropper forecast, as well as contracting with a second firm to provide an additional demographic and enrollment study, if the HHU Advisory Committee should deem it advisable.

Traffic

With this appropriation, the HHU Advisory Committee also would have sufficient funding for a detailed traffic study that might include (but not be limited to) the impact on traffic throughout the Town of all options, including potential modifications to surrounding streets. All scenarios may be examined at forecasted enrollments as well as at maximum capacities of the buildings. The

³ 2015-16 enrollment: Bates 391, Fiske 342, Hardy 309, Hunnewell 272, Schofield 368, Sprague 398, Upham 227.

HHU Advisory Committee would need to develop and provide the traffic study firm with potential redistricting options for each of the scenarios.

Refinement of Scenarios

Based on the enrollment forecasts, traffic studies, public input and the deliberations of the HHU Advisory Committee, one or more of the current options may be refined. The appropriation will provide funds for cost estimation or other consultant support for any such refinements. The HHU Advisory Committee will be charged with then recommending a final option.

Respectfully submitted,

School Committee

Matt Kelley, Chair
Wendy Paul, Vice Chair
Anthony Bent
Sharon Gray
Patti Quigley

Board of Selectmen

David Murphy, Chair
Marjorie Freiman, Vice Chair
Ellen Gibbs
Jack Morgan
Barbara Searle

REPORT OF THE SUSTAINABLE ENERGY COMMITTEE

Town Meeting established the Sustainable Energy Committee (SEC) in 2010, to lead efforts to accomplish the goal adopted at the 2009 Annual Town Meeting to reduce Town-wide greenhouse gas emissions 10 percent below 2007 levels by 2013, to monitor and report progress toward that goal, and to propose further goals for emissions reductions to Town Meeting. The 2014 Annual Town Meeting adopted the SEC proposal to establish a new goal to reduce Town-wide emissions 25 percent below 2007 by 2020.

MEASUREMENT OF 2015 EMISSIONS AND TRENDS

Each year the SEC measures the Town's "carbon footprint" and tracks the change against earlier years. This carbon footprint measurement is an estimated number calculated from a variety of inputs, some actual and some estimated. It is based on actual municipal and college data, actual electric and natural gas use by households and businesses, and estimates for heating oil consumption, fuel efficiency in the transportation sector and the conversion factors that translate energy use into greenhouse gas emissions. The methodology is guided by the U.S. Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions established October 2012 and calculated using ICLEI – Local Governments for Sustainability software.

Greenhouse Gas Emissions (eCO ₂ in 000 metric tons)						
				2014 - 2015		2007 - 2015
	Share of Total	2015	2014	Percent	2007	Percent
	2015 Emissions	Emissions	Emissions	Change	Emissions	Change
Electricity/Natural Gas/Fuel Oil						
Residential	30.8%	112,341	114,818	-2.2%	132,862	-15.4%
Commercial	13.3%	48,457	50,066	-3.2%	57,922	-16.3%
Colleges	10.7%	39,250	39,468	-0.6%	45,886	-14.5%
Municipal	2.1%	7,816	7,749	0.9%	9,287	-15.8%
Building Subtotal	56.9%	207,863	212,101	-2.0%	245,956	-15.5%
Waste	0.5%	1,756	1,694	3.7%	2,027	-13.4%
Gas/Diesel	42.6%	155,502	155,391	0.1%	160,468	-3.1%
Total Emissions	100.0%	365,121	369,185	-1.1%	408,451	-10.6%

Emissions trends in 2015 continue to tell basically the same story as in prior years. Emissions are declining, but not fast enough to achieve our 2020 goal unless the pace accelerates. In 2015 estimated emissions from electricity, natural gas and fuel oil used to heat, cool, light and power the appliances and electronics in Wellesley homes, businesses, colleges and municipal buildings, as well as to light our streets and power our water treatment facilities, declined 2.0 percent from the prior year.¹ However, estimated emissions from the transportation (gas/diesel) sector, which accounts for 42 percent of total emissions, are basically flat from 2014 to 2015.

¹ 2014 emissions have been revised since the Report to the 2015 Annual Town Meeting was printed, to include additional data received after the report went to print. The effect is to increase emissions from buildings, and total emissions, by 5,478, a 1.5 percent increase in total emissions.

COMMITTEE ACTIVITIES IN 2015 AND 2016

Together with the Department of Public Works and the Natural Resources Commission, the SEC has formed the 3R (Reduce/Reuse/Recycle) working group to address issues affecting the waste sector. Focusing first on food waste, the group has engaged with the School Department's Food Services division and Bates School to pilot a process to recover appropriate left-over food and supply it to food pantries. Through the 3R Working Group, Wellesley is the first town in New England to endorse the EPA's Food Recovery Challenge.

The SEC endorsed the proposed plastic bag ban being considered at this Annual Town Meeting. Particularly since Wellesley's Recycle and Disposal Facility has stopped recycling plastic bags, it is important to remove these fossil fuel products from the waste stream through a reduction in their manufacture and use.

The SEC and the Natural Resources Commission jointly brought a motion adopted by the Board of Selectmen to endorse proposed Massachusetts legislation creating a new incentive structure to speed up the repair of gas leaks. In 2014 National Grid reported 121 gas leaks in Wellesley. These leaks emit methane, a particularly potent greenhouse gas. Leaks in the high pressure lines along Route 9 are the first priority.

The Municipal Light Plant (MLP) has initiated a project to create a standard legal framework for non-profits in Wellesley that wish to install solar panels to generate electricity. The MLP is working with Wellesley College and Babson College on this initiative and several other institutions have expressed interest as well. The pace of solar installations will be significantly affected by the action or inaction of the Massachusetts legislature to extend the solar renewable energy credit (SREC) program, which is now fully subscribed.

Finally, the SEC has pursued the creation of a half-time staff position to increase the Committee's capacity to initiate projects that contribute to achieving the 2020 target for lower carbon emissions adopted by Town Meeting and to prepare the annual estimate of carbon emissions required in the SEC bylaw. Funding for this position is included 50-50 in the SEC and MLP budgets for FY2016.

In FY2016 the SEC will participate in the process to develop a Unified Plan for Wellesley, with a goal to fully reflect in the plan the Town's commitment to sustainability, broadly speaking, and to the reduction of greenhouse gas emissions in particular.

The SEC also will continue its focus on food waste through activities such as a joint project with a class at Olin College evaluating small scale anaerobic digestion systems for using food waste to locally manufacture natural gas. The 3R working group also intends to work with local merchants to recover unsold edible food to food pantries and to improve waste collection in downtown Wellesley.

The SEC will renew its efforts with the MLP to increase the share of electricity obtained from renewable sources.

SUSTAINABLE ENERGY COMMITTEE

Ellen Korpi, Chair
Scott Bender

Ellen Gibbs
Katharine Gibson
Laura Olton

Patti Quigley
Patrick Willoughby

APPENDIX A: TOWN MEETING ACRONYMS

AC	Advisory Committee
ACS	Access Control Systems
ADA	Americans with Disabilities Act
AED	Automated External Defibrillator
AFSCME	American Federation of State, County and Municipal Employees
AMI	Advanced Metering Infrastructure
ATC	American Tower Corporation
ATM	Annual Town Meeting
BOH	Board of Health
BOS	Board of Selectmen
BPW	Board of Public Works
CB	Circuit Breaker
COA	Council on Aging
COLA	Cost of Living Adjustment
CPA	Community Preservation Act
CPC	Community Preservation Committee
DAS	Distributed Antenna System
DEP	Department of Environmental Protection
DESE	Department of Elementary and Secondary Education
DOR	Department of Revenue
DPW	Department of Public Works
DRB	Design Review Board
ELL	English Language Learner
FAR	Floor Area Ratio
FBPC	Fuller Brook Park Committee
FCM	Forward Capacity Market
FF&E	Furniture, Fixtures and Equipment
FMD	Facilities Maintenance Department
FTE	Full-Time Equivalent
FY	Fiscal Year
GIC	Group Insurance Commission
GIS	Geographic Information Systems
HDC	Historic District Commission
HHU	Hardy, Hunnewell and Upham
HRB	Human Resources Board
HRS	Human Relations Service, Inc.
HVAC	Heating, Ventilation and Air Conditioning
ID	In District
IDEA	Individuals with Disabilities Education Act

IEP	Individualized Education Plan
ISO-NE	Independent System Operator – New England
IT	Information Technology
LHR	Large House Review
LRE	Least Restrictive Environment
MAAB	Massachusetts Architectural Access Board
MEMA	Massachusetts Emergency Management Agency
MGL	Massachusetts General Laws
MIAA	Massachusetts Interscholastic Athletic Association
MLB	Municipal Light Board
MLP	Municipal Light Plant
MOU	Memorandum of Understanding
MSBA	Massachusetts School Building Authority
MWRA	Massachusetts Water Resources Authority
MWRTA	MetroWest Regional Transit Authority
NCD	Neighborhood Conservation District
NRC	Natural Resources Commission
NRP(Z)	Natural Resource Protection (Zoning)
OOD	Out of District
OPEB	Other Post-Employment Benefits
OPM	Owner’s Project Manager
PARCC	Partnership for Assessment of Readiness for College and Careers
PAWS	Preschool at Wellesley Schools
P&S	Purchase and Sale Agreement
PB	Planning Board
PBC	Permanent Building Committee
PFTP	Playing Fields Task Force
PSI	Project of Significant Impact
RDF	Recycling and Disposal Facility
RFP	Request for Proposals
SC	School Committee
SEC	Sustainable Energy Committee
SFC	School Facilities Committee
SFMP	School Facilities Master Plan
SMMA	Symmes, Maini, McKee & Associates
SOI	Statement of Interest
SPGA	Special Permit Granting Authority
SR	Single Residence (District)
STEM	Science, Technology, Engineering and Mathematics
STM	Special Town Meeting
SWG	Security Working Group

TDRT	Town Development Review Team
TGSC	Town Government Study Committee
TM(M)	Town Meeting (Member)
TPC	Tolles-Parsons Center
TWFP	Town-Wide Financial Plan
VMS	Video Management System
WCRS	Wellesley Contributory Retirement System
WFL	Wellesley Free Library
WHA	Wellesley Housing Authority
WHC	Wellesley Historical Commission
WHDC	Wellesley Housing Development Corporation
WHS	Wellesley High School, Wellesley Historical Society
WMS	Wellesley Middle School
WPC	Wetlands Protection Committee
WPS	Wellesley Public Schools
WSCD	Wellesley Square Commercial District
WSHG	West Suburban Health Group
WSVD	West Suburban Veterans' District
ZBA	Zoning Board of Appeals

APPENDIX B: TWFP--FY17 DETAIL SOURCES & USES OF FUNDS

SOURCES OF FUNDS	FY16 SOURCES OF FUNDS	FY17 SOURCES OF FUNDS	CHANGE - FY16 to FY17	% Change
Real Estate & Personal Property Tax				
Within the Levy Limit	113,458,735	117,895,203	4,436,468	3.91%
Outside the Levy Limit - OPEB	1,200,000	600,000	(600,000)	-50.00%
Outside the Levy Limit	12,803,348	12,374,727	(428,621)	-3.35%
Subtotal - Real Estate & Personal Property Tax	127,462,083	130,869,930	3,407,847	2.67%
From the Commonwealth				
Chapter 70 Aid	7,917,626	8,075,979	158,353	2.00%
Lottery Aid	1,194,220	1,218,104	23,884	2.00%
Other Aid	0	0	0	0.00%
Other Aid	89,518	91,917	2,399	2.68%
Subtotal - From the Commonwealth	9,201,364	9,386,000	184,636	2.01%
Local Revenue				
Motor Vehicle Excise	4,850,000	4,850,000	0	0.00%
Licenses and Permits	2,300,000	2,350,000	50,000	2.17%
MLP Payment In Lieu of Taxes	1,000,000	1,000,000	0	0.00%
Interest Earnings	170,000	180,000	10,000	5.88%
RDF Revenue	610,000	617,000	7,000	1.15%
Fines & forfeits	530,000	560,000	30,000	5.66%
Recreation	100,000	100,000	0	0.00%
Meals/Hotel/Motel Tax	625,000	665,000	40,000	6.40%
Pilot Payments	76,000	76,000	0	0.00%
Other Local Revenues	647,415	807,000	159,585	24.65%
Subtotal - Local Revenue	10,908,415	11,205,000	296,585	2.72%
Other Sources				
Parking Meter Receipts	912,971	906,874	(6,097)	
Free Cash to balance budget	2,624,169	2,498,871	(125,298)	
Free Cash	132,000	0	(132,000)	
Appropriated CPA Surcharge	891,950	1,615,400	723,450	
CPA Funds applied to North 40	580,000	548,944	(31,056)	
Police detail	75,000	150,000	75,000	
Subtotal - Other Sources	5,216,090	5,720,089	503,999	
TOTAL SOURCES OF FUNDS	152,787,952	157,781,020	4,993,068	2.88%

USES OF FUNDS	FY16 USE OF FUNDS (Tax Rate)			FY17 USE OF FUNDS (Request)			CHANGE - FY16 to FY17			
	Pers Svs	Expenses	Total Ops	Pers Svs	Expenses	Total Ops	Variance Pers Svs	Variance Expenses	Variance Total - \$	Variance Total - %
GENERAL GOVERNMENT										
Board of Selectmen - Administration										
Executive Director's Office	433,192	26,500	459,692	437,648	26,500	464,148	4,456	0	4,456	0.97%
Sustainable Energy	5,000	10,033	15,033	18,500	1,500	20,000	13,500	(8,533)	4,967	33.04%
Central Administrative Services	0	28,500	28,500	0	28,500	28,500	0	0	0	0.00%
Finance Department	405,250	8,000	413,250	412,960	8,700	421,660	7,710	700	8,410	2.04%
Information Technology	480,863	245,883	726,746	463,719	271,544	725,263	(27,144)	25,661	(1,483)	-0.20%
Treasurer & Collector	285,485	115,713	401,198	289,400	115,050	404,450	3,915	(663)	3,252	0.81%
Town Report	0	4,000	4,000	0	4,000	4,000	0	0	0	0.00%
Board of Selectmen - Human Services										
Council on Aging	313,756	158,898	472,654	321,518	170,222	491,740	7,762	11,324	19,086	4.04%
Fair Housing Committee	0	200	200	0	200	200	0	0	0	0.00%
West Suburban Veterans District	0	107,235	107,235	0	71,559	71,559	0	(35,676)	(35,676)	-33.27%
Youth Commission	79,688	17,190	96,878	79,412	17,090	96,502	(276)	(100)	(376)	-0.39%
Board of Selectmen - Maintenance Services										
Facilities Maintenance	3,820,393	3,081,275	6,901,668	3,951,660	3,107,680	7,059,340	131,267	26,405	157,672	2.28%
Board of Selectmen - Other Services										
Housing Development Corporation	0	6,000	6,000	0	6,000	6,000	0	0	0	0.00%
Metro West Planning	0	0	0	0	0	0	0	0	0	0.00%
Historical Commission	0	750	750	0	750	750	0	0	0	0.00%
Historical District Commission	0	250	250	0	250	250	0	0	0	0.00%
Human Relations Committee	0	0	0	0	0	0	0	0	0	0.00%
Memorial Day	0	2,500	2,500	0	2,500	2,500	0	0	0	0.00%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.00%
Zoning Board of Appeals	52,242	6,940	59,182	52,042	6,940	58,982	(200)	0	(200)	-0.34%

Board of Selectmen - Shared Services											
18	Law	0	300,000	300,000	0	325,000	325,000	0	25,000	25,000	8.33%
	Audit Committee	0	56,250	56,250	0	58,200	58,200	0	1,950	1,950	3.47%
18	Risk Management	0	483,300	483,300	0	521,651	521,651	0	38,351	38,351	7.94%
	Street Lighting	0	241,230	241,230	0	246,876	246,876	0	5,646	5,646	2.94%
	Subtotal - Board of Selectmen - General Government	5,875,869	4,905,347	10,781,216	6,016,859	4,995,412	11,012,271	140,990	90,065	231,055	2.14%
Other General Government											
	Facilities Maintenance and Grounds-Town	0	0	0	0	0	0	0	0	0	#DIV/0!
	Facilities Maintenance and Grounds-School	0	0	0	0	0	0	0	0	0	0
18	Town Clerk/Election & Registration	246,077	40,915	286,992	279,814	40,915	320,729	33,737	0	33,737	11.76%
18	Board of Assessors	259,105	88,855	347,960	262,928	81,500	344,428	3,823	(7,355)	(3,532)	-1.02%
18	Planning Board	235,528	44,300	279,828	234,607	46,750	281,357	(921)	2,450	1,529	0.55%
18	Advisory Committee	7,000	21,000	28,000	7,000	25,000	32,000	0	4,000	4,000	14.29%
18	Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0.00%
18	Permanent Building Committee	126,154	7,150	133,304	217,713	7,300	225,013	91,559	150	91,709	68.80%
18	Human Resources Board	283,548	37,553	321,101	282,960	38,300	321,260	(588)	747	159	0.05%
5	HR Salary adjustments	12,272	0	12,272	160,000	0	160,000	147,728	0	147,728	1203.78%
	Green Ribbon	0	0	0	0	0	0	0	0	0	#DIV/0!
	Subtotal - Other General Government	1,169,684	414,773	1,584,457	1,445,022	414,765	1,859,787	275,338	(8)	275,330	17.38%
	GENERAL GOVERNMENT TOTAL	7,045,553	5,320,120	12,365,673	7,461,881	5,410,177	12,872,058	416,328	90,057	506,385	4.10%
PUBLIC SAFETY - BOARD OF SELECTMEN											
18	Police Department	5,094,306	631,154	5,725,460	5,181,695	643,925	5,825,620	87,389	12,771	100,160	1.75%
	Injured on Duty		see Risk Management Dept 945			see Risk Management Dept 945					
18	Special School Police	103,112	2,955	106,067	104,672	3,029	107,701	1,560	74	1,634	1.54%
18	Fire Department	4,788,986	261,749	5,050,735	4,907,350	266,249	5,173,599	118,364	4,500	122,864	2.43%
18	Building Department	451,468	24,850	476,318	472,574	26,150	498,724	21,106	1,300	22,406	4.70%
18	Sealer of Weights & Measures	15,720	2,800	18,520	15,720	2,800	18,520	0	0	0	0.00%
	PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN	10,453,592	923,508	11,377,100	10,662,011	942,153	11,624,164	228,419	18,645	247,064	2.17%

DEPARTMENT OF PUBLIC WORKS												
⌘	Engineering	503,810	69,489	573,299	501,315	64,139	565,454	(2,495)	(5,350)	(7,845)	-1.37%	
⌘	Highway	1,017,583	441,850	1,459,433	1,019,145	439,150	1,458,295	1,582	(2,700)	(1,138)	-0.08%	
⌘	Fleet Maintenance	139,956	43,462	183,418	143,105	43,462	186,567	3,149	0	3,149	1.72%	
⌘	Park	1,117,944	317,345	1,435,289	1,117,181	330,345	1,455,526	(763)	21,000	20,237	1.41%	
⌘	Recycling & Disposal	1,000,390	1,201,447	2,201,837	1,048,716	1,254,747	2,303,463	48,326	53,300	101,626	4.62%	
⌘	Management	345,664	23,968	369,632	347,447	23,968	371,415	1,783	0	1,783	0.48%	
⌘	Facilities	74,186	211,586	285,772	75,615	211,586	287,201	1,429	0	0	0.00%	
⌘	Winter Maintenance	0	348,703	348,703	348,703	348,703	348,703	0	0	0	0.00%	
	PUBLIC WORKS TOTAL	4,199,533	2,657,650	6,857,383	4,252,524	2,724,100	6,976,624	52,991	117,812	119,241	1.74%	
WELLESLEY FREE LIBRARY												
⌘	Library Trustees	1,799,613	508,491	2,308,104	1,806,708	520,060	2,326,768	7,095	11,569	18,664	0.81%	
⌘	Regional Services (Non-Tax Impact)	0	0	0	0	0	0	0	0	0	0.00%	
	LIBRARY TOTAL	1,799,613	508,491	2,308,104	1,806,708	520,060	2,326,768	7,095	11,569	18,664	0.81%	
RECREATION												
⌘	Recreation Commission	320,237	20,000	340,237	324,876	20,000	344,876	4,639	0	4,639	1.36%	
	RECREATION TOTAL	320,237	20,000	340,237	324,876	20,000	344,876	4,639	0	4,639	1.36%	
8a	HEALTH											
⌘	Board of Health	402,439	67,124	469,563	404,735	78,503	483,238	2,296	11,379	13,675	2.91%	
⌘	Mental Health Services	0	255,691	255,691	0	255,691	255,691	0	0	0	0.00%	
	HEALTH TOTAL	402,439	322,815	725,254	404,735	334,194	738,929	2,296	11,379	13,675	1.89%	
NATURAL RESOURCES												
⌘	Natural Resources Commission	200,401	23,400	223,801	196,567	21,900	218,467	(3,834)	(1,500)	(5,334)	-2.38%	
	Morses Pond Project - (NRC, DPW, Rec)	0	149,394	149,394	0	139,394	139,394	0	(10,000)	(10,000)	-6.69%	
	NATURAL RESOURCES TOTAL	200,401	172,794	373,195	196,567	161,294	357,861	(3,834)	(11,500)	(15,334)	-4.11%	
	NON-SCHOOL TOTAL	24,421,368	9,925,578	34,346,946	25,129,302	10,111,978	35,241,280	707,934	237,962	894,334	2.60%	

WELLESLEY PUBLIC SCHOOLS											
8	Instruction	42,345,518	2,276,865	44,622,383	44,601,229	2,310,902	46,912,131	2,255,711	34,037	2,289,748	5.13%
8	Administration	901,985	143,235	1,045,220	954,255	156,235	1,110,490	52,270	13,000	65,270	6.24%
8	Operations	765,953	607,675	1,373,628	952,845	624,976	1,577,821	186,892	17,301	204,193	14.87%
8	Special Education	14,210,247	5,437,681	19,647,928	14,862,782	5,651,410	19,924,192	652,535	(376,271)	276,264	1.41%
	SCHOOL TOTAL	58,223,703	8,465,456	66,689,159	61,371,111	8,153,523	69,524,634	3,147,408	-311,933	2,835,475	4.25%
	EMPLOYEE BENEFITS										
8	Group Insurance	0	16,206,701	16,206,701	0	16,138,304	16,138,304	0	(68,397)	(68,397)	-0.42%
	Workers Compensation	0	517,860	517,860	0	517,860	517,860	0	0	0	0.00%
	OPEB Liability Fund	0	1,800,000	1,800,000	0	2,400,000	2,400,000	0	600,000	600,000	33.33%
	OPEB Liability Fund Excluded	0	1,200,000	1,200,000	0	600,000	600,000	0	(600,000)	(600,000)	-50.00%
	Retirement Contribution	0	6,150,755	6,150,755	0	6,390,114	6,390,114	0	239,359	239,359	3.89%
8	Unemployment Compensation	0	150,000	150,000	0	150,000	150,000	0	0	0	0.00%
	Compensated Absences	0	90,000	90,000	0	90,000	90,000	0	0	0	0.00%
8	Non-Contributory Pensions	0	18,116	18,116	0	18,660	18,660	0	544	544	3.00%
	EMPLOYEE BENEFITS TOTAL	-	26,133,432	26,133,432	0	26,304,938	26,304,938	0	171,506	171,506	0.66%
	ALL PERSONAL SERVICES & EXPENSES	82,645,071	44,524,466	127,169,537	86,500,413	44,570,439	131,070,652	3,855,342	45,973	3,901,315	3.07%
	CAPITAL & DEBT										
	Departmental Cash Capital										
8	Public Works Capital	0	1,528,000	1,528,000	0	1,954,000	1,954,000	0	426,000	426,000	27.88%
8	School Capital	0	856,066	856,066	0	784,920	784,920	0	(71,146)	(71,146)	-8.31%
	Facilities Capital - School	0	790,000	790,000	0	1,073,500	1,073,500	0	283,500	283,500	35.89%
	Facilities reserve fund	0	0	0	0	0	0	0	0	0	0.00%
	Facilities Capital - Town	0	785,000	785,000	0	676,500	676,500	0	(108,500)	(108,500)	-13.82%
	Facilities - Undeclared	0	0	0	0	0	0	0	0	0	0.00%
	Planning Board	0	30,000	30,000	0	90,000	90,000	0	60,000	60,000	200.00%
	Board of Health	0	0	0	0	13,661	13,661	0	13,661	13,661	
	Selectmen Capital	0	334,466	334,466	0	349,913	349,913	0	15,427	15,427	4.61%
8	Library Capital	0	115,700	115,700	0	131,300	131,300	0	15,600	15,600	13.48%
	Town Clerk	0	7,000	7,000	0	16,385	16,385	0	9,385	9,385	100.00%
8	NRC Capital	0	55,500	55,500	0	77,000	77,000	0	21,500	21,500	38.74%
8	Morses Pond Capital	0	0	0	0	0	0	0	0	0	0.00%
8	MLP (Fire & Traffic Signal Systems)	0	0	0	0	0	0	0	0	0	#DIV/0!
	Subtotal - Cash Capital	0	4,501,752	4,501,752	0	5,167,179	5,167,179	0	665,427	665,427	14.79%

Special Article/Capital Items											
Art.#16 Cochrane Aqueduct	0	0	0	0	0	0	0	0	0	#DIV/0!	
Art.#19 Putney Rd. Acceptance	0	0	0	0	0	0	0	0	0	#DIV/0!	
Art.#20 Oakdale Ave. Acceptance	0	0	0	0	0	0	0	0	0	#DIV/0!	
Art.#23 WHDC Walnut Street	0	0	0	0	0	0	0	0	0	#DIV/0!	
Subtotal - Spec. Capital Items	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Subtotal - T&P Capital	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Debt Service											
Current Inside Levy Debt Service - Issued	0	3,970,125	3,970,125	0	3,434,938	3,434,938	0	(535,187)	(535,187)	(535,187)	-13.48%
New Debt Service - Inside Levy	0	0	0	0	164,344	164,344	0	164,344	164,344	164,344	
Outside Levy Debt Service - Issued/Unissued	0	13,383,348	13,383,348	0	12,035,235	12,035,235	0	(1,348,113)	(1,348,113)	(1,348,113)	-10.07%
	0	0	0	0	888,436	888,436	0	888,436	888,436	888,436	0.00%
Subtotal - Debt Service	0	17,353,473	17,353,473	0	16,522,953	16,522,953	0	(830,520)	(830,520)	(830,520)	-4.79%
CAPITAL & DEBT TOTAL	21,855,225	21,855,225	21,855,225	0	21,690,132	21,690,132	0	(165,093)	(165,093)	(165,093)	-0.76%

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SPECIAL ITEMS											
Receipts Reserved for Appropriation											
Traffic & Parking Operations	247,051	621,670	888,721	241,254	621,670	862,924	(5,797)	0	(5,797)	0	-0.67%
Community Preservation Appropriated	0	891,950	891,950	0	1,615,400	1,615,400	0	723,450	723,450	723,450	81.11%
Free Cash Items	0	132,000	132,000	0	0	0	0	(132,000)	(132,000)	(132,000)	-100.00%
Property Tax Abatements	0	650,475	650,475	0	675,000	675,000	0	24,525	24,525	24,525	3.77%
State & County Assessments	0	1,220,044	1,220,044	0	1,266,712	1,266,712	0	46,668	46,668	46,668	3.83%
SPECIAL ITEMS TOTAL	247,051	3,516,139	3,763,190	241,254	4,178,782	4,420,036	(5,797)	662,643	662,643	662,643	17.45%
TOTAL USES OF FUNDS			152,787,952		157,181,020	157,181,020				4,393,068	2.89%
TOTAL SOURCES OF FUNDS			152,787,952		157,181,020	157,181,020				4,393,068	2.88%
SURPLUS (DEFICIT)			0		(0)	(0)					

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**APPENDIX C: REPORT OF THE BOARD OF SELECTMEN ON THE
FIVE YEAR CAPITAL BUDGET PROGRAM FOR 2016 ANNUAL TOWN MEETING**

Town of Wellesley Capital Overview

During the annual budget process, boards and departments submit detailed capital requests for the upcoming fiscal year and for the following four fiscal years. The Board of Selectmen, through the Executive Director, considers individual board needs and facilitates the discussions about funding the current budget, as well as the longer-term Town-Wide Financial Plan (TWFP). Projected expenditures are subject to multi-year discussion and analysis, and may not ultimately be funded. Projects are categorized by funding source: cash capital, other sources, debt financed inside the tax levy, and debt capital exclusions. Following are the capital project requests for FY17 (the year ended June 30, 2017) by funding source:

FY17 Recommended Capital Projects by Funding Source		
Department	Project	Amount
Cash Capital:		
Information Tech	Server Upgrade, VoIP Payment, Security Upgrades, Website Redesign	111,666
Police	Electronic Control Devices, Booking Video System, Morpho Workstation	120,047
Fire	Command Vehicle, Rescue Boat & Trailer, Air Lift Rescue Bags	66,500
Council on Aging	MSC Hardware/Software, iPad's, Storage Units, Mini-Van Equipment	31,700
Library	Furnishings, Servers, Computers, Material Handler, Self-Check System	131,300
NRC	Tree Planting, Trail Improvements, Emergency Path Repairs, IPM Plan	77,000
Town Clerk	Voting Booths, Computer, Furniture	16,385
Planning Board	Unified Plan, Wellesley Square Wayfinding/Branding, Design Guidelines	90,000
Health	Vaccine Fridge and Freezer Units	13,661
Public Works	Street Improvements, Equipment Procurement, Drainage System	1,954,000
Schools	Instructional Equipment, Technology, Furniture, Infrastructure	784,920
FMD-School	Building & Site Repair, Equipment, Alarm Panel, HVAC ECM Upgrades	1,073,500
FMD-Town	Fire Concrete Work, Vehicle Replacement, Security Cameras	676,500
Selectmen	North 40 Environmental Remediation	20,000
Total Cash Capital		\$ 5,167,179
Other Funding Sources:		
Public Works	High School Stadium (CPC/Fundraising)	2,000,000
Public Works	Street Resurfacing (Ch.90)	720,000
Public Works	Washington Street (Ch.90)	700,000
Schools	HHU Traffic/Enrollment Study (Free Cash)	200,000
PBC	Tolles (Gift)	800,000
Planning	Planning Projects (CPC)	80,000
Total Other Sources		\$ 4,500,000
Debt Capital Inside Levy:		
Public Works	Worcester/Kingbury Street	700,000
Public Works	High School Stadium	1,057,000
Public Works	Park/Highway Roof	700,000
Public Works	Hunnewell Field/Restrooms	300,000
PBC	Police Station	2,000,000
PBC	School Security	2,455,000
Total Borrowed Inside Levy		\$ 7,212,000
Debt Capital Exclusion		
PBC	Senior Center	6,700,000
Total Borrowed Outside Levy		\$ 6,700,000
Grand Total		\$ 23,579,179

Cash Capital

“Cash Capital” is a hybrid. Items funded by cash capital may include investments, assets, or one-time projects that would cause fluctuations in a department’s ongoing operating needs. Equipment replacement (vehicles and computers), street improvements, facilities maintenance and building repairs, or a feasibility analysis may be funded with cash. Capital expenditures tend to be larger purchases made infrequently as opposed to routine operating expenditures, however, exceptions do exist in as much as Public Works routinely includes some ongoing internal labor costs in its capital and large ongoing computer initiatives at the schools have specifically been excluded from the operating budget. **Cash capital is not synonymous with fixed assets.** The Town does not include items under \$25,000 or items with a very short life span (such as computers) in fixed assets. Police vehicles typically cost more than \$25,000 and are capitalized (included in fixed assets), but the Town has elected to fund them in the Police operating budget for many years because of their critical nature.

DPW FY17

The Board of Public Works has recommended a FY17 cash capital budget of \$1,954,000. Highlights of the DPW FY17 capital requests are as follows:

- Replacement of 5 vehicles, a brush chipper, utility cart, flail mower, an Excavator, snow plow, and other small equipment – \$849,000
- Street Improvements - \$465,000
- Sidewalk Restoration - \$160,000
- Athletic Fields/Playground Improvements - \$145,000
- Drainage System Rehabilitation - \$100,000

DPW FY17 – FY21

DPW requests encompass 40% of the cash capital for the next five years. Of this request, vehicle replacement makes up 42%, street rehabilitation is 24%, and sidewalk and drainage system rehabilitation represent 13% of ongoing costs. The plan includes the periodic scheduled replacement of 200 pieces of equipment and 130 vehicles. Street improvement plans include resurfacing 9-10 miles per year including a combination of cash capital and Chapter 90 funds. The average total budget request for the next five years is \$2,588,700.

FACILITIES MAINTENANCE FY17

Combined cash capital budget request for town and school facilities maintenance is \$1,750,000 for FY17. The projects are listed in the accompanying chart.

FACILITIES MAINTENANCE FY17-FY21

Known projects are identified on the accompanying chart. The Town has done benchmark studies which suggest that the level of capital funding for facilities maintenance should be increased. The necessary increase has been estimated and included in the plan, with specific projects to follow at subsequent Town Meetings. This would bring the five year total to almost 30% of cash capital. The average total cash capital budget for the next five years is \$1,925,000 with roughly 50% designated for school buildings and 50% for other town facilities.

SCHOOL FY17

The School Committee requests \$784,920 for cash capital in FY17, comprised primarily of technology items (\$741,391) and Instructional Equipment (\$29,363).

SCHOOL FY17– FY21

The School capital request for FY17-21 includes an average of \$1,084,959 per year for Technology. Technology represents 94% of the School Department's FY17 Capital request and continues to be a majority of the budget in the out years. Primary drivers include the replacement of desktop and laptop computers and the new iPad initiative in the next two years.

Other Funding Sources

DPW Street Maintenance and High School Stadium – In FY17, the Board of Public Works is requesting \$3,420,000 in FY17 for the High School Stadium, street maintenance and resurfacing. The DPW anticipates using Chapter 90 funding and Community Preservation Committee funding and fundraising revenue as follows:

- \$1,000,000 CPC for High School Stadium
- \$1,000,000 Fundraising for High School Stadium
- \$720,000 Chapter 90 Street Resurfacing
- \$700,000 Chapter 90 Washington Street

Hardy/Hunnewell/Upham Projects

- \$200,000 Free Cash HHU-Traffic/Enrollment Study

Tolles Parsons Senior Center

- \$800,000 Tolles Gift

Planning Board Projects – Funds being requested for FY17 will be used for a Unified Plan that will combine elements from the Strategic Plan and Comprehensive Plan. The CPC has agreed to pay the cost of half this project with the other half coming from cash capital. Additionally, CPC funds will also be used to fund the Historic District Design Guidelines to better help home owners in the district understand expectations and preferred design choices. The breakdown of these two projects is as follows:

- \$60,000 CPC funding for the Unified Plan
- \$20,000 CPC Funding for the Historic District Design Guidelines

Debt Capital inside the Levy FY17-FY21

The Town borrows for larger (capitalized) assets having a useful life of five years or more. The Town has employed the prudent fiscal practice of amortizing this debt as rapidly as practical within the levy limit. The FY17 requests include School Security Improvements (\$2,455,000), Police Station Envelope Repair (\$2,000,000), High School Stadium (\$1,057,000), and several other projects (\$1,700,000 - see attached schedule).

Debt Capital Exclusion(s) FY17 – FY21

Because of competing operating requests, there is not enough capacity within the levy (town's taxing authority) to fund all of the necessary ongoing capital needs. The North 40 purchase, the Fiske and Schofield renovations, and the Middle School windows renovation have all been recently financed through exempt debt. The Town also approved a capital exclusion to fund 10 years (expiring in 2017) of contributions towards its Other Post Employment Benefits (OPEB) liability. It is anticipated that most future large capital projects will need to be funded in this fashion.

The most significant borrowing requests in the next several years include the proposed new Tolles Parsons Center (\$6,700,000), the Hardy/Hunnewell/Upham projects (\$94,510,000), and Middle School Projects (\$7,298,000).

FIVE YEAR CAPITAL PLAN EXHIBITS

Town of Wellesley							
Five Year Capital Budget Program FY17-FY21							
<u>Summary Schedule</u>							
	FY16	FY17	FY18	FY19	FY20	FY21	FY17-21 Total
Cash Capital	4,501,752	5,167,179	7,527,174	6,850,472	6,755,207	6,225,563	\$ 32,525,595
Free Cash	100,000	200,000	-	-	-	-	\$ 200,000
CPC Funding	120,000	1,080,000	-	-	-	-	\$ 1,080,000
Fundraising	-	1,000,000	-	-	-	-	\$ 1,000,000
Gift	-	800,000	-	-	-	-	\$ 800,000
Chapter 90	3,069,600	1,420,000	720,000	720,000	792,000	792,000	\$ 4,444,000
Debt Capital Inside Levy	-	7,212,000	3,450,000	7,225,000	4,490,000	1,985,000	\$ 24,362,000
Debt Capital Exclusion *	-	6,700,000	5,360,000	94,888,000	280,000	1,280,000	\$ 108,508,000
Grand Total \$	7,791,352	\$ 23,579,179	\$ 17,057,174	\$ 109,683,472	\$ 12,317,207	\$ 10,282,563	\$ 172,919,595
* Further proposals expected from SMMA Study							

Town of Wellesley
Five Year Capital Budget Program FY17 - FY21
Detail Summary Schedule

Department	FY16	FY17	FY18	FY19	FY20	FY21	FY17-21 Total
Cash Capital							
Information Technology	106,668	111,666	106,666	85,000	73,000	45,000	421,332
Police	90,818	120,047	77,689	153,237	103,195	80,806	534,974
Fire	120,000	66,500	79,000	193,000	75,000	74,000	487,500
Council on Aging	17,000	31,700	15,500	31,500	22,000	22,000	122,700
Library	115,700	131,300	205,300	326,800	102,300	132,800	898,500
Natural Resources Commission	55,500	77,000	81,500	84,000	81,500	74,000	398,000
Morses Pond	-	-	95,200	59,200	55,200	19,200	228,800
Town Clerk	7,000	16,385	-	-	-	-	16,385
Planning Board	30,000	90,000	-	-	-	-	90,000
Board of Health	-	13,661	-	-	-	-	13,661
Department of Public Works	1,528,000	1,954,000	2,720,000	2,586,000	3,023,200	2,660,300	12,943,500
North 40 Planning	-	20,000	-	-	-	-	20,000
Schools	856,066	784,920	2,271,319	1,331,735	1,219,812	1,117,457	6,725,243
Facilities Maintenance	1,575,000	1,750,000	1,875,000	2,000,000	2,000,000	2,000,000	9,625,000
Total Cash Capital	4,501,752	5,167,179	7,527,174	6,850,472	6,755,207	6,225,563	32,525,595
Other Funding Sources							
High School Stadium (CPC/Fundraising)	-	2,000,000	-	-	-	-	2,000,000
Toiles (Gift)	-	800,000	-	-	-	-	800,000
DPW Street Resurfacing (Ch 90)	1,212,000	720,000	720,000	720,000	792,000	792,000	3,744,000
DPW Salt Shed (Ch 90)	1,157,600	-	-	-	-	-	-
DPW Washington St. (Ch 90)	700,000	700,000	-	-	-	-	700,000
Planning Projects (CPC)	-	80,000	-	-	-	-	80,000
NRC Pond Mgmt Plan (CPC)	100,000	-	-	-	-	-	-
NRC Morses Pond Study (CPC)	20,000	-	-	-	-	-	-
School Paws Preschool (Free Cash)	50,000	-	-	-	-	-	-
Sch Hardy/Hunnewell/Upham (Free Cash)	50,000	-	-	-	-	-	-
HHU Traffic/Enrollment Study (Free Cash)	-	200,000	-	-	-	-	200,000
Total Other Sources	3,289,600	4,500,000	720,000	720,000	792,000	792,000	7,524,000
Debt Capital Inside Levy							
Selectmen - Worcester/Kingsbury	-	700,000	-	-	-	-	700,000
High School Stadium	-	1,057,000	-	-	-	-	1,057,000
Fire Apparatus	-	-	-	-	700,000	-	700,000
DPW- Facility Renovations	-	700,000	350,000	1,000,000	900,000	-	2,950,000
DPW- Street Rehabilitations	-	-	1,250,000	1,750,000	-	1,750,000	4,750,000
DPW- Hunnewell Field/Restrooms	-	300,000	200,000	200,000	2,000,000	-	2,500,000
Police Roof	-	2,000,000	-	-	-	-	2,000,000
School Security	-	2,455,000	-	-	-	-	2,455,000
HHU Feasibility Study	-	-	1,350,000	-	-	-	1,350,000
Town Hall Projects	-	-	-	3,750,000	-	-	3,750,000
FMD Other	-	-	500,000	525,000	890,000	235,000.00	2,150,000
Total Borrowed Inside Levy	-	7,212,000	3,450,000	7,225,000	4,490,000	1,985,000	24,362,000
Debt Capital Exclusion							
Toiles Parsons (Senior Center)	-	6,700,000	-	-	280,000	1,280,000	6,700,000
Middle School Projects	-	-	5,360,000	378,000	280,000	1,280,000	7,298,000
Hardy/Hunnewell/Upham	-	-	94,510,000	94,888,000	280,000	-	94,510,000
Total Capital Exclusion	-	6,700,000	5,360,000	94,888,000	280,000	1,280,000	108,508,000
Grand Total	7,791,352	23,573,179	17,057,174	109,683,472	12,317,207	10,282,563	172,919,595

Town of Wellesley							
Five Year Capital Budget Program FY17 - FY21							
Board of Selectmen Department Schedule							
Capital Project	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY17-21 Total
Information Technology							
Server Upgrade	25,000	25,000	-	25,000	-	25,000	75,000
Town Wide Phone System Upgrade (VoIP)	26,666	26,666	26,666	-	-	-	53,332
IT Security Upgrades	-	40,000	-	-	-	-	40,000
Website Redesign	-	20,000	-	-	-	-	20,000
Munis Server Replacement	-	-	30,000	-	-	-	30,000
Land Use (PLMD) Technology	-	-	50,000	-	-	-	50,000
10GB Network Switches	-	-	-	30,000	30,000	-	60,000
Town Hall Wireless Network	-	-	-	30,000	-	-	30,000
VoIP Maintenance Contract	-	-	-	-	35,000	-	35,000
Wide-Format Printer	-	-	-	-	8,000	-	8,000
Aerial Flyover & Orthophotography	-	-	-	-	-	20,000	20,000
Microsoft Office License Upgrades	20,000	-	-	-	-	-	-
Digital Elevation Contours	35,000	-	-	-	-	-	-
Total Information Technology	106,666	111,666	106,666	85,000	73,000	45,000	421,332
Police							
Electronic Control Devices	-	73,023	-	-	-	-	73,023
Booking Video Recording System	-	37,884	-	-	-	-	37,884
Morpho Trak Latent Expert Workstation	-	9,140	-	-	-	-	9,140
Digital Fingerprint Capturing Station	-	-	20,754	-	-	-	20,754
Kingsbury Room AV Equipment	-	-	36,979	-	-	-	36,979
Radio System Replacement Antennas	-	-	19,956	-	-	-	19,956
Security Camera Replacement	-	-	-	80,000	-	-	80,000
Mobile Portable Radio Replacement	-	-	-	57,636	55,195	65,205	178,036
Forensic Crime Scope/Light Source	-	-	-	-	48,000	-	48,000
Cruiser Video Recording System	75,375	-	-	-	-	-	-
Server Replacement	15,443	-	-	15,601	-	15,601	31,202
Total Police	90,818	120,047	77,689	153,237	103,195	80,806	534,974
Fire							
Replace command vehicle(s)	45,000	46,500	-	48,000	-	49,000	143,500
Rescue Boat and Trailer	-	10,000	-	-	-	-	10,000
Air Lift Rescue Bags	-	10,000	-	-	-	-	10,000
Electronic Cutters (Jaws Tool)	-	-	35,000	-	-	-	35,000
Fire Hose Equipment	-	-	14,000	-	-	-	14,000
Thermal Camera	-	-	30,000	-	-	-	30,000
Fire Turnout Gear	-	-	-	135,000	-	-	135,000
Scott Air Bottles	-	-	-	10,000	-	10,000	20,000
Radio System/Portables	-	-	-	-	55,000	-	55,000
Pulse/Oxygen/CO Meter	-	-	-	-	10,000	-	10,000
Light Tower/Generator Trailer	-	-	-	-	10,000	-	10,000
Air Mask Fit Testing Unit	-	-	-	-	-	15,000	15,000
Scott Air-Pak	25,000	-	-	-	-	-	-
Engine Rehabilitation	50,000	-	-	-	-	-	-
Total Fire	120,000	66,500	79,000	193,000	75,000	74,000	487,500

Five Year Capital Budget Program FY17 - FY21							
Facilities Maintenance Department Schedule							
Building Description	FY16	FY17	FY18	FY19	FY20	FY21	FY17-27 Total
Town Cash Capital							
Townwide (Municipal)	118,000	66,000	24,000	23,000	67,000	20,000	200,000
Town Hall	96,000	120,000	139,000	62,000	64,000	40,000	425,000
Police	60,000	80,000	122,000	171,000	20,000	30,000	423,000
Fire Department Main (Headquarters)	128,000	61,000	117,000	85,000	-	138,000	401,000
Fire Department Central (Station 1)	50,000	105,000	34,000	32,000	-	-	171,000
Warren (Recreation and Health)	144,000	5,000	95,000	221,000	4,000	6,000	331,000
Morses Pond	-	3,500	6,500	4,000	-	4,500	18,500
Main Library	128,000	154,000	186,000	219,000	304,500	194,500	1,068,000
Hills Library	31,000	55,000	172,000	-	-	-	227,000
Fells Library	30,000	27,000	12,000	10,000	-	-	49,000
Subtotal Cash Capital - Municipal	785,000	676,500	907,500	827,000	459,500	433,000	3,303,500
School Cash Capital							
Districtwide (Schools)	122,000	122,000	162,000	117,000	122,000	117,000	640,000
Preschool at Wellesley (PAWS)	31,000	-	-	15,000	54,000	5,000	74,000
Bates Elementary	125,000	142,000	259,000	236,000	125,000	-	762,000
Field House	34,000	-	25,000	62,000	50,000	-	137,000
Fiske Elementary	-	-	-	-	-	8,000	8,000
Hardy Elementary	10,000	64,000	35,000	35,000	85,000	35,000	254,000
Hunnewell Elementary	10,000	33,000	35,000	54,000	35,000	-	157,000
Sprague Elementary	92,000	155,500	219,500	323,000	178,000	-	876,000
Schofield Elementary	-	-	-	-	-	-	-
Upham Elementary	38,000	42,000	35,000	66,000	35,000	35,000	213,000
Middle School	151,000	476,000	197,000	-	105,000	-	778,000
High School	177,000	39,000	-	8,000	-	-	47,000
Subtotal Cash Capital - Districtwide	790,000	1,073,500	967,500	916,000	789,000	200,000	3,946,000
Other Unidentified Cash Capital	-	-	-	257,000	751,500	1,367,000	2,375,500
Total Cash Capital Requests	1,575,000	1,750,000	1,875,000	2,000,000	2,000,000	2,000,000	9,625,000

Town of Wellesley							
Five Year Capital Budget Program FY17 - FY21							
NRC, Morses Pond, & Library Departments							
Capital Project	FY16	FY17	FY18	FY19	FY20	FY21	FY17-21 Total
Natural Resources Commission							
Tree Planting	40,000	40,000	40,000	40,000	40,000	40,000	200,000
Hunnewell Field Pervious Pavement Maint.	5,500	1,500	1,500	1,500	1,500	1,500	7,500
Trail System Improvements	5,000	5,000	5,000	5,000	5,000	5,000	25,000
Encroachment Boundary Markers	-	2,500	-	2,500	-	2,500	7,500
IPM Turf Plan Implementation	-	10,000	-	10,000	-	10,000	30,000
Kelley Tennis Court Assess. & Design Plan	-	-	10,000	-	-	-	10,000
Central Park Rehabilitation	-	3,000	-	-	-	-	3,000
Park Sidewalk/Paths Emergency Repairs	-	15,000	-	15,000	-	15,000	45,000
High School Stadium Planting	-	-	5,000	-	-	-	5,000
Fuller Brook Invasive Management	-	-	10,000	10,000	10,000	-	30,000
Comprehensive Pond Improvements	-	-	10,000	-	25,000	-	35,000
Lighting Abatement at Athletic Fields	5,000	-	-	-	-	-	-
Total NRC	55,500	77,000	81,500	84,000	81,500	74,000	398,000
Morses Pond							
Watershed Education Website	-	-	4,200	4,200	4,200	4,200	16,800
Regional Education Development & Survey	-	-	5,000	5,000	5,000	5,000	20,000
Bylaw/Regulatory Review/Development	-	-	25,000	-	-	-	25,000
Stormwater Design, Permitting, Support	-	-	10,000	-	-	-	10,000
Stormwater Construction & Monitoring	-	-	25,000	10,000	10,000	10,000	55,000
Plant Control Design, Permitting, Support	-	-	10,000	-	-	-	10,000
Plant Control Hand Harvesting Support	-	-	5,000	-	-	-	5,000
Plant Control Monitoring	-	-	1,000	1,000	1,000	-	3,000
Selective Planting Design, Permitting, Support	-	-	10,000	-	-	-	10,000
Planting	-	-	-	35,000	35,000	-	70,000
Planting Monitoring	-	-	95,200	59,200	55,200	19,200	228,800
Library							
Replacement of Furnishings	16,000	9,000	12,000	13,000	14,000	15,000	63,000
Servers	-	8,000	8,000	8,000	8,000	8,000	40,000
RFID Tags	5,200	5,300	5,300	5,300	5,300	5,300	26,500
Computer/Peripheral Replacement	34,500	45,000	40,000	42,500	45,000	48,000	220,500
Material Handler	-	10,000	-	250,000	-	-	260,000
Revenue Management Kiosks	-	24,000	-	-	-	-	24,000
Mobile Circulation Management	-	6,000	-	2,000	-	2,500	10,500
Relocate Stacks for Recarpeting	-	-	65,000	-	-	-	65,000
Self Check System	-	24,000	60,000	-	-	24,000	108,000
Staff Intranet	-	-	5,000	-	-	5,000	10,000
Timecard System	-	-	10,000	-	-	-	10,000
Website Construction/Redesign	40,000	-	-	6,000	-	-	46,000
WFL Van	-	-	-	-	30,000	-	30,000
New Technology	-	-	-	-	-	25,000	25,000
Security System Upgrade	20,000	-	-	-	-	-	20,000
Total Library	115,700	131,300	205,300	326,800	102,300	132,800	898,500

Town of Wellesley									
FY17 - 21 Capital Budget Program									
Town Clerk, Planning, Health, & School Departments									
Capital Project	FY16	FY17	FY18	FY19	FY20	FY21	FY17-21 Total		
Town Clerk									
Voting Booths	7,000	16,385	-	-	-	-	16,385	▲	16,385
Total Town Clerk	7,000	16,385	-	-	-	-	16,385	▲	16,385
Planning Board									
Unified Plan (Comprehensive & Strategic Plan)	30,000	60,000	-	-	-	-	60,000	▲	60,000
Wellesley Square Wayfinding & Branding Project	-	10,000	-	-	-	-	10,000	▲	10,000
Design Review Board Design Guidelines	-	20,000	-	-	-	-	20,000	▲	20,000
Planning Subtotal	30,000	90,000	-	-	-	-	90,000	▲	90,000
Unified Plan/Historic District Design (CPC)									
Planning Board Total	30,000	170,000	-	-	-	-	170,000	▲	90,000
Board of Health									
Vaccine Fridge and Freezer Units	-	13,661	-	-	-	-	13,661	▲	13,661
Total Board of Health	-	13,661	-	-	-	-	13,661	▲	13,661
School Department (non-Facilities)									
Instructional Equipment	15,130	29,363	50,000	100,000	50,000	30,000	259,363	▲	259,363
Photocopiers	-	-	-	-	-	-	-	▲	-
General Equipment	4,500	7,600	8,500	2,500	2,500	5,000	26,100	▲	26,100
Infrastructure	42,900	-	10,000	16,542	16,873	15,000	58,415	▲	58,415
Furniture/Furnishings	65,851	6,566	350,000	200,000	200,000	200,000	956,566	▲	956,566
Technology	727,685	741,391	1,852,819	1,012,693	950,439	867,457	5,424,799	▲	5,424,799
Total School Capital	856,066	784,920	2,271,319	1,331,735	1,219,812	1,117,457	6,725,243	▲	6,725,243

Town of Wellesley						
Five Year Capital Budget Program FY17 - FY21						
Department of Public Works						
Capital Project	FY16	FY17	FY18	FY19	FY20	FY21
Cash Capital						
Street Improvement	110,000	465,000	635,000	635,000	692,500	692,500
Design Street Projects (Cliff/Grove/Walnut)	-	100,000	150,000	-	150,000	-
Sidewalk Restoration	160,000	160,000	160,000	160,000	160,000	160,000
Private Ways	20,000	20,000	20,000	20,000	20,000	20,000
Drainage System Rehabilitation	-	100,000	200,000	200,000	200,000	220,000
RDF Container Replacement	25,000	25,000	25,000	25,000	25,000	27,500
Other Improvements	50,000	-	105,000	5,000	5,000	5,000
Vehicle/Equipment Procurement	898,000	849,000	1,042,000	1,158,000	1,342,700	1,042,300
Athletic/Playground Improvements	178,000	145,000	173,000	123,000	213,000	313,000
RDF Resurface Paved Areas	30,000	-	30,000	-	35,000	-
RDF Sprinkler	27,000	-	-	-	-	-
Park/Highway Building Improvements	30,000	30,000	30,000	30,000	30,000	30,000
Park/HWY Small Equipment Washbay	-	-	-	80,000	-	-
RDF Truck Scale	-	60,000	-	-	-	-
Playground Construction	-	-	150,000	150,000	150,000	150,000
Total Cash Capital	1,528,000	1,954,000	2,720,000	2,586,000	3,023,200	2,660,300
Other Funding Sources:						
High School Stadium (CPC/Fundraising)	-	2,000,000	-	-	-	-
DPW Street Resurfacing (Ch 90)	1,212,000	720,000	720,000	720,000	792,000	792,000
Washington Street (Ch 90)	700,000	700,000	-	-	-	-
DPW Salt Shed (Ch 90)	1,157,600	-	-	-	-	-
Total Other Funding Sources:	3,069,600	3,420,000	720,000	720,000	792,000	792,000
Borrowed Inside						
DPW Fuel Depot Rehabilitation	-	-	350,000	-	-	-
Street Rehabilitation-Cliff Road	-	-	1,250,000	-	-	-
High School Stadium	-	1,057,000	-	-	-	-
Street Rehabilitation-Grove Street	-	-	-	1,750,000	-	-
Street Rehabilitation-Walnut Street	-	-	-	-	-	-
Hunnewell Field/Restroom Facility	-	300,000	-	-	-	-
Hunnewell Field Reno Baseball Field	-	-	-	200,000	2,000,000	-
Park/Hwy Building Roof	-	700,000	-	-	-	-
Replacement/Renovation DPW Yard	-	-	-	1,000,000	900,000	-
Total Borrowed	-	2,057,000	1,600,000	2,950,000	2,900,000	1,750,000
Grand Total DPW	4,597,600	7,431,000	5,040,000	6,256,000	6,715,200	5,202,300
						30,644,500

APPENDIX D: SCHOOL STAFF COMPENSATION
March 2016 Update

This Appendix provides a summary of FY17 personal services costs by category as well as detailed information on the current salary schedule for Wellesley's teachers and professional staff; the contractual step and lane system used in WPS; and teacher profiles showing how our current staff is distributed in both FTEs and salary across steps and lanes. Comparative salary information for Wellesley and other towns is also included. The salary schedule for the Wellesley Teachers Unit A is from the contract that is effective from July 1, 2013 through June 30, 2016. FY17 contracts are currently being negotiated. The numbers here are based on current steps and lanes. In addition to about 500 teachers in Unit A, there are about 32 senior administrators in Unit B including Directors, Department Heads, Assistant Principals and Housemasters. Their contract period is the same as for Unit A. Units A and B together account for almost 70% of the personnel and 75% of total salary in the District. An additional 35 administrative support personnel are represented by the Wellesley Education Support Staff Association. About 200 non-union employees comprise the remainder of the WPS staff.

PERSONAL SERVICES FOR SCHOOL STAFF						
	Description	FY16 Budget FTE	FY16 Budget Salaries	FY17 Budget FTE	FY17 Budget Salaries	% Increase over FY16
Senior Supervisory	Central Office administrators, principals & assistants, administrative time of department heads & directors	40.85	\$5,104,040	41.70	\$5,290,648	3.70%
Teachers	Classroom teachers, Special Educators	419.50	\$36,443,688	413.98	\$37,567,196	3.10%
Professional Support	Librarians, guidance counselors, nurses, therapists, psychologists, math, science & technology specialists, Out-of-District Coordinator	79.60	\$7,430,299	88.50	\$8,293,820	11.60%
Classroom & Other Teaching Support	Teaching & technology assistants, ELL tutors, paraprofessionals, computer technicians, Student supervisors, athletic trainers	175.78	\$5,335,120	200.50	\$6,036,667	13.10%
Administrative Support	Secretaries, clerks, administrative assistants	37.77	\$1,819,714	37.56	\$1,801,968	-1.00%
Operations	Business office staff, van drivers & attendants	18.29	\$838,774	18.60	\$838,630	0.00%
On Call/Temporary	Substitutes, tutors, part-time coaches, club advisors, etc.	N/A	\$1,252,767	N/A	\$1,542,181	23.10%
Sub-Total (tax impact)		771.79	\$58,224,402	800.84	\$61,371,110	5.40%

Personal Services

The analysis of personal services above provides information about the cost and cost increases in salary by category. It is most useful when there is little movement between categories, making the year-to-year comparisons more meaningful. In FY17, there are two changes that actually took place during FY16 after the budget was voted that are reflected in the chart above. The first was a decision to allocate a different subset of staff to the grants. This resulted in fewer (FTE) positions in the grants and more (FTE) positions in the operating budget. The net shift was 8.23 (FTEs) positions. The second was the hiring of staff required to service students after the budget was already set. The District must do so within its bottom-line voted budget, so any additions have to be covered through reductions or savings elsewhere. In FY16 there were 7.68 net new FTEs added including .25 FTE for a High School Science section to accommodate student scheduling needs; 8.0 Special Education teaching assistants to service students with disabilities at the High School, Elementary and Preschool levels; 2.0 paraprofessionals assigned to specific students at Upham and at the High School; restoration of .43 elementary lunch aide; the reduction of 2.0 elementary positions due to enrollment changes; and, the reduction of 1.0 Kindergarten teaching assistant due to the reduction of a Kindergarten section at Upham.

The *Senior Supervisory* category grew because department heads' administrative time is reported in this category and in FY17 one of the elementary World Language teaching positions hired in FY16 will be a department head resulting in the allocation of .80 FTE from *Teachers* to *Senior Supervisory*. In the combined categories of *Teachers* and *Professional Support*, there was a net increase of 3.38 positions. This results primarily from the reduction of 2.0 FTE section reductions at the elementary level based on projected enrollment declines, the addition of 5.35 new position requests outlined in the School's budget, 1.0 FTE shifted from a Special Education grant into the operating budget, and the .80 referenced above shifting into *Senior Supervisory*. The most notable change year over year is in *Classroom/Other Support*. This is where the change in positions charged to the grants resulted in a higher FTE count (+7.13) in the operating budget, and also where 9.43 FTE were hired in FY16 (described in the previous paragraph). FY17 requests for new positions totaled a net of 7.80 FTE.

Steps and Lane Increases

In Wellesley, as in most Massachusetts public schools, the system of "steps and lanes" has been used to recognize experience (step) and educational accomplishment (lane). When a teacher is hired, compensation is based on the number of years of teaching experience (step), as well as the level of college or post-college training achieved (lane). Under the terms of the present contract, there are 16 steps and four lanes.

Each year, a teacher advances to the next salary step until he or she reaches the top step, thereby receiving a pre-determined salary increase. Teachers who have attained a higher educational level by earning a sufficient number of credits and have notified the Superintendent of their intent to advance to a higher educational level by November 1 of the prior school year receive a "lane" increase. Both step and lane increases can be bargained as part of the contract negotiations. Beginning in FY10, there were 15 steps, with all step increases equalized at 4.17%. For the contract covering FY12 and FY13, a 16th step was added that had a value 1% higher than the salary at the 15th step. Subsequent negotiations resulted in the 16th step being a 2.5% increase.

Annual Percentage Increase

For union employees, FY17 salary budgets have been prepared by simulating the continuation of the current steps and lanes system. All teachers moving up a step through Step 15 will receive an increase of 4.17% in FY16. Those teachers moving from Step 15 to Step 16 will

receive a 2.5% step increase. Once a teacher has reached Step 16, the annual increase is equal to the negotiated annual percentage increase (referred to as Cost of Living Adjustment, or COLA). For Units A and B, as well as all other staff in the district, the FY17 COLA increase has not been determined. However, for Units A and B, the 3% COLA increase in FY16 was paid out in two installments: 1.5% effective July 1, 2015 and 1.5% effective mid-year, January 2016. The result of this split payment is a base salary increase on July 1, 2016 of 0.75%. Teachers who change lanes receive an increase according to the level of the new degree. At each step, a lane increase from Bachelor's to Master's is worth an additional 10.2% increase in compensation; from Master's to Master's + 30 is worth 7.7%, and from Master's + 30 to Master's + 60 or Doctorate is worth 7.0%.¹

Longevity and Stipends

In FY17, Wellesley teachers who have completed 20 years of teaching in Wellesley and are therefore on the top step, will receive an annual “longevity” payment. In the contract with the Wellesley Teachers’ Association ending June 30, 2016, this longevity payment is \$2,833 or 3% of their base salary, whichever is less. This is subject to negotiation of a new contract to be effective July 1. The total spending for longevity stipends is currently budgeted at \$116,000. Stipends are payments to teachers for additional responsibilities such as coaching a sport, running a student club, or serving as a curriculum grade level or team leader.

Compensation

Below is the Bargaining Unit A salary schedule for FY17 with 16 steps and lanes.

Salary Schedule – subject to negotiations

STEP	BA	MA	MA30	MA60/PhD
1	\$46,838	\$51,637	\$55,624	\$59,513
2	\$48,789	\$53,788	\$57,941	\$61,992
3	\$50,822	\$56,029	\$60,355	\$64,575
4	\$52,939	\$58,364	\$62,870	\$67,267
5	\$55,146	\$60,797	\$65,489	\$70,070
6	\$57,444	\$63,330	\$68,219	\$72,989
7	\$59,836	\$65,968	\$71,060	\$76,032
8	\$62,328	\$68,717	\$74,020	\$79,201
9	\$64,926	\$71,581	\$77,104	\$82,499
10	\$67,632	\$74,564	\$80,316	\$85,938
11	\$70,449	\$77,670	\$83,663	\$89,517
12	\$73,385	\$80,907	\$87,149	\$93,247
13	\$76,443	\$84,277	\$90,781	\$97,132
14	\$79,628	\$87,788	\$94,564	\$101,180
15	\$82,946	\$91,445	\$98,503	\$105,396
16	\$85,033	\$93,748	\$100,983	\$108,049

¹ Master's + 30 means that the teacher has successfully completed a Master's degree and has received sufficient additional graduate semester credits from regionally accredited colleges or universities so as to total 60 graduate semester credits (including the 30 credits within the Master's degree itself). Master's + 60 teachers have received 90 graduate semester credits.

The chart below shows the estimated FY17 FTE Distribution of Bargaining Unit A for Steps 1-16 and by level of education without any of the new positions or FTE reductions that have been proposed:

FTE DISTRIBUTION						
STEP	BA	MA	MA30	MA60/PhD	TOTAL	%
1					0.00	
2	4.50	3.00			7.50	1.50%
3	2.00	4.80	1.00	1.00	8.80	1.76%
4	3.80	9.30			13.10	2.62%
5	4.70	10.60	1.00	1.00	17.30	3.47%
6	3.50	12.00	3.00		18.50	3.71%
7	1.00	11.80	3.20	0.80	16.80	3.37%
8		7.00	5.00	1.60	13.60	2.72%
9	0.70	8.20	3.00	5.30	17.20	3.45%
10	1.00	7.70	6.00	5.00	19.70	3.95%
11	1.00	12.90	1.20	1.80	16.90	3.39%
12	1.00	6.90	7.50	5.50	20.90	4.19%
13		7.80	8.00	5.80	21.60	4.33%
14	1.00	6.30	5.00	6.00	18.30	3.67%
15	1.00	7.50	17.50	9.00	35.00	7.01%
16	10.20	64.45	62.00	117.40	254.05	50.89%
TOTAL	35.40	180.25	123.40	160.20	499.25	
	7.09%	36.10%	24.72%	32.09%		

Wellesley teachers are highly educated and very experienced. Under the Steps and Lanes system, over 50% all FTEs in Unit A have attained the top step (Step 16), and the balance are granted the annual automatic increases driven by the Steps and Lanes system described above. Further, 56.8% of all teachers have attained an educational level of Master's Degree plus 30 hours or higher. The compensation table below reflects the FTEs (currently 499.25) in Unit A by Step and Lane and the total compensation breakdown, as estimated by advancing current staff through their anticipated FY17 Step and Lane assignments.²

² This table excludes any consideration of Cost of Living Adjustments (COLA).

UNIT A COST (without new positions)

STEP	BA	MA	MA30	MA60/PhD	TOTAL
1	\$0	\$0	\$0	\$0	\$0
2	\$219,551	\$161,364	\$0	\$0	\$380,915
3	\$101,644	\$268,939	\$60,355	\$64,575	\$495,513
4	\$201,168	\$542,785	\$0	\$0	\$743,953
5	\$259,186	\$644,448	\$65,489	\$70,070	\$1,039,193
6	\$201,054	\$759,960	\$204,657	\$0	\$1,165,671
7	\$59,836	\$778,422	\$227,392	\$60,826	\$1,126,476
8	\$0	\$481,019	\$370,100	\$126,722	\$977,841
9	\$45,448	\$586,964	\$231,312	\$437,245	\$1,300,969
10	\$67,632	\$574,143	\$481,896	\$429,690	\$1,553,361
11	\$70,449	\$1,001,943	\$100,396	\$161,131	\$1,333,918
12	\$73,385	\$558,258	\$653,618	\$512,859	\$1,798,119
13	\$0	\$657,361	\$726,248	\$563,366	\$1,946,974
14	\$79,628	\$553,064	\$472,820	\$607,080	\$1,712,592
15	\$82,946	\$685,838	\$1,723,803	\$948,564	\$3,441,150
16	\$867,337	\$6,042,059	\$6,260,946	\$12,684,953	\$25,855,294
TOTAL	\$2,329,264	\$14,296,567	\$11,579,031	\$16,667,078	\$44,871,940

The chart below compares the profile of WPS teachers over a period of six years. With a high level of experience and educational background, the cost of the Town's teaching staff is significant. Compensation for current Unit A teachers, including classroom teachers, professional support and nurses equals \$44,871,940 which is 73.1% of the FY17 Personal Service budget and 64.5% of the entire WPS FY17 Budget request.

Wellesley Teacher Profile						
Years of Experience (Step)	FY12	FY13	FY14	FY15	FY16	FY17
Steps 1-5	11.8%	10.4%	7.5%	12.0%	13.3%	9.3%
Steps 6-12	35.4%	35.8%	32.1%	31.4%	25.1%	24.8%
Steps >13	52.8%	53.8%	60.4%	56.6%	61.6%	65.9%
Education						
Bachelors	7.0%	6.6%	6.7%	6.6%	6.2%	7.1%
Masters	36.8%	36.4%	35.5%	36.6%	35.9%	36.1%
Masters+30 credits or Masters+60 credits/Doctorate	55.3%	55.9%	57.8%	56.8%	57.9%	56.8%

Comparison to Teacher Salaries in Other Towns

In the table below, Wellesley teachers' salaries for FY16 are compared to twelve similar towns by specific positions on the salary schedules. The Comparative Salary Schedules ranks salaries at the minimum and maximum step for three of Wellesley's lanes: Master's, Master's plus 30 credits and Master's plus 60 credits/Doctorate. When comparing, it is important to recall that different contracts have been negotiated at different times and for different periods in each of these towns. The only Wellesley lane not included in the table is the Bachelor's lane, which includes fewer than 10% of Wellesley teachers; also, this table excludes the effect of longevity stipends.

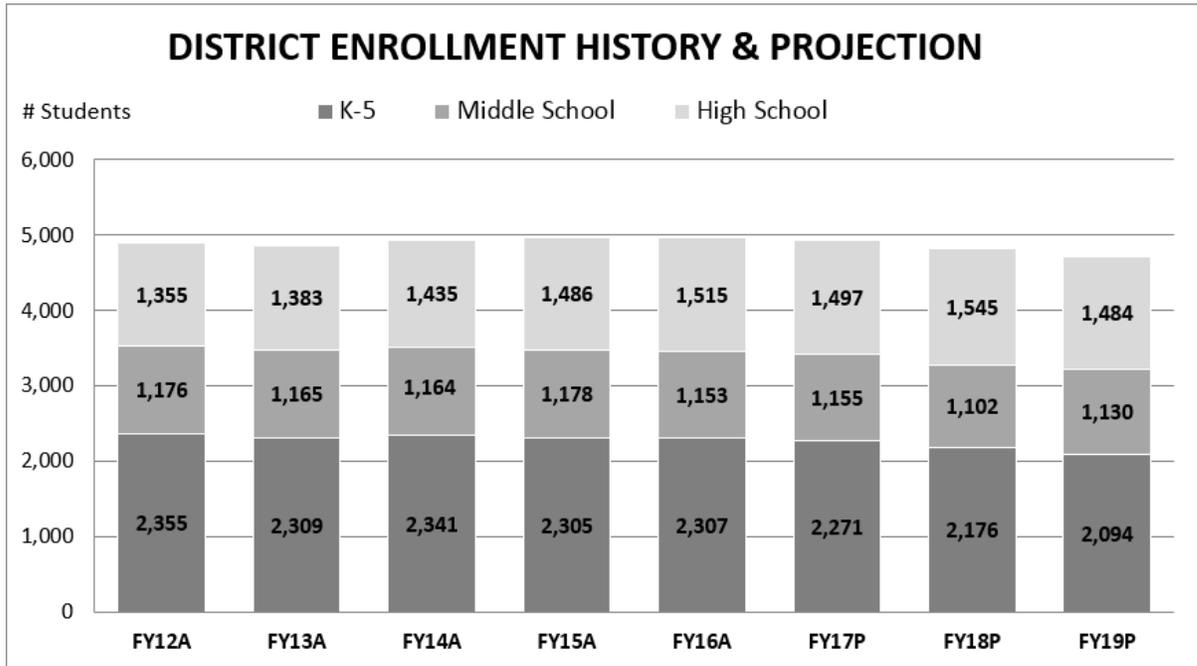
Competitive Salary Schedules for FY16												
Town	Masters				Masters +30				Masters +60/Doctorate			
	Min Step	Rank	Max Step	Rank	Min Step	Rank	Max Step	Rank	Min Step	Rank	Max Step	Rank
Belmont	50,848	6	90,767	8	53,636	9	95,273	11	56,763	10	100,515	12
Brookline*	54,190	2	89,483	11	57,514	1	96,435	9	60,768	3	102,951	8
Concord*	49,982	8	95,487	3	52,541	10	100,385	2	56,486	11	107,912	3
Concord/ Carlisle	54,470	1	99,540	1	57,262	2	104,647	1	61,558	2	112,495	1
Lexington*	48,262	14	86,328	13	51,105	14	91,862	13	55792 D+30	12	101291 D+30	10
Lincoln	51,670	4	96,105	2	56,032	3	97,860	7	68086 M+45, Step 6	1	101743 M+45, Step 17	9
Lincoln- Sudbury*	48,722	12	93,357	5	51,689	13	100,063	5	54,836	14	106,125	5
Natick	49,632	9	77,783	15	54,596	6	85,559	15	60,191	4	94,330	14
Needham	50,586	7	88,637	12	54,490	7	93,495	12	58,126	7	99,307	13
Newton*	48,691	13	90,405	9	52,332	11	97,513	8	55,690	13	103,737	7
Sudbury*	49,062	11	91,037	7	51,882	12	96,270	10	54,358	15	100,863	11
Wayland	48,251	15	89,694	10	50,440	15	98,678	6	57,004	9	109,623	2
Wellesley	51,255	5	93,055	6	55,213	5	100,237	3	59,073	6	107,251	4
Weston	52,468	3	93,875	4	55,431	4	100,092	4	58,116	8	104,601	6
Winchester	49,164	10	78,513	14	53,812	8	86,312	14	59,748	5	92,464	15

* Contract
FY2015

The table demonstrates that a town's ranking between its minimum and maximum steps can vary considerably, although Wellesley's rankings are more consistent than those of other towns. Because 44.2% of Wellesley's teachers are at the maximum step and only 1.1% are at the minimum step, the most relevant comparisons are at the top step. For the top steps in the three lanes under comparison, Wellesley is ranked from third to sixth.

On an aggregate basis, the Wellesley salary scale is most comparable to Weston's and Concord's. To remain competitive, the Administration's goal is to maintain compensation above the midpoint of peer communities.

**APPENDIX E: SCHOOL ENROLLMENT HISTORY AND
FY17 FORECAST**



The chart above shows the WPS enrollment over the past five years and the projections for the next three. The actual numbers of students in elementary, middle and high school is shown in FY12-FY16, while the FY17-FY19 numbers are current projections taken from last year's enrollment report.¹

Total enrollment including Pre-K (PAWS) is 5,086. PAWS enrollment is currently 111, unchanged from October 1, 2014. However, children are enrolled in the preschool when they turn three years old, resulting in a rolling admission of students and an increasing preschool population over the course of the year. We added a second "satellite" classroom at Upham this year as a result of the growing preschool enrollment needs. Enrollments at the elementary level have begun to decline, following peak enrollment in 2008 of 2,500. The Middle School enrollment is relatively flat for FY17 and will be in decline over the next few years. The High School will have a small spike in enrollment in FY18 followed by similar declining enrollment. Our FY16 total actual district enrollment K-12 is six students over our FY15 actual enrollment, with the breakdown as follows: + 2 Elementary, -25 Middle School, +29 High School.

¹ In October of each year, the School Department releases an enrollment report that studies enrollment trends and projects numbers for each grade level (K-12) running 10 years into the future. Each year's budget is built using the October actual and projected enrollment numbers. Enrollment can change during the year, and the School Committee does report updated numbers from time to time. For our purposes throughout this analysis, we are using the October enrollment report numbers that inform the budget decisions.

APPENDIX F: SPECIAL EDUCATION PROGRAMS

Overview: Programs and Services

Special Education services are provided for children with a broad spectrum of disabilities from mild to very severe. A continuum of service delivery models including classroom-based support, support in learning centers, In-District (ID) specialized programs and Out-of-District (OOD) programs and services are needed to meet the needs of a growing population of students with disabilities.

After an extensive evaluation by a team of Special Education professionals and parents, an Individual Education Program (IEP) is developed for each student who requires services. The IEP is a binding contract between the school and the parents, outlining the specialized services that student will receive and the benchmarks which must be met. If parents disagree with a proposed IEP and/or Placement, the regulations provide for a dispute resolution process before a Hearing Officer. Hearing decisions are made using the federal standard of "free and appropriate public education." If a hearing officer finds in favor of the parents' request, the school department is financially responsible for the requested Placement and possibly other costs and expenses.

The Special Education budget of \$19,924,195 for FY17 represents a 1.4% increase from FY16 and is approximately 29% of the school budget, supporting about 18% of the student population. The population of students with disabilities is growing, with increasing numbers of students identified each year through early intervention programs. A number of these students present with significant disabilities, including medically-fragile children, multi-handicapped children, and children with autism spectrum disorder, as well as students with significant emotional and/or behavioral issues. The majority of Special Education students receive 60% or more of their services within the general education program. Services outside the general education classroom can include specialized instruction within a Learning Center and/or in a setting where related services are provided. Because federal Special Education law requires that school districts provide services in the Least Restrictive Environment (LRE), WPS is mandated to educate students, to the greatest extent appropriate, within general education environments. Related services, which allow these students to remain within the public school setting, can include therapies (such as occupational or physical therapy) and counseling. Students may receive ID services in preschool (at PAWS, a specialized preschool program), at their local elementary schools, or through a specialized program housed at one of the elementary schools, WMS or WHS.

If the Town has a cohort of students with similar low incidence specialized needs, specialized programs are developed whenever possible. By developing ID programs, Wellesley meets the mandate of LRE and creates cost efficiencies by avoiding OOD Placement tuitions and expensive transportation costs. Such cost efficiencies are difficult to quantify due to the continually changing student requirements. When ID placement isn't possible, the school helps find and pay for an OOD placement for students between the ages of 3 and 22. Those placements can range from other public (collaborative) schools, private day schools and private residential schools. Tuition for a private day school setting is often extremely expensive, ranging from almost \$46,000 to over \$142,000, and residential schools can range from almost \$168,000 to almost \$408,000. The State Division of Purchased Services sets annual tuition rates for these services and allows for annual tuition increases between 3 and 7%.

The Special Education budget is developed based on the needs of each student's IEP. ID costs include all expenses incurred for students educated in the Wellesley Public Schools. OOD expenditures include tuitions and transportation costs for Special Education students educated

outside the WPS system. Each IEP is assessed and the appropriate staffing is determined to ensure that the WPS can meet the level of mandated services outlined in the IEP. In addition, some students require specialized equipment, materials, and/or low-incidence services (e.g., nursing, vision and/or hearing services/equipment) that result in a higher level of per-pupil expenditure than most Special Education students. These expenses are built into the budget on a student-by-student basis. Tuition and transportation expenses are also determined individually and are based upon a student's current Special Education placement (where the IEP will be implemented) and reasonable predictions for the coming fiscal year.

In-District and Out-of-District Transportation

The State mandates that Special Education students who require transportation to an ID or OOD Placement (either because of the nature of their disabilities or because their programs are located outside their neighborhood school districts) must be provided with it. Salaries for transportation include the Transportation Coordinator, transportation attendants and van drivers for the school's thirteen vans and are included in Personal Services. Vehicle-related expenses associated with the van program (fuel, maintenance, etc.) and outside vendor transportation services are included in Expenses.

Funding Special Education

Budgeting for all of the Special Education programs, including OOD tuitions, is based on students enrolled in Special Education as of October 1 of the current fiscal year. The School Department then predicts which students will graduate, "age out" of the system (turn 22 years old), return to the WPS program, or are at-risk to be placed out of district. The cost of educating students in Special Education programs is primarily born by the taxpayers in the local community; however, other sources, both state and federal, provide substantive offsets. Despite careful development, unpredictable factors can impact the tuition portion of the budget quickly and sometimes substantially. These factors may include students with disabilities who require emergency placement, students who move into Wellesley and are already in OOD placements, students who have a significant change in their level of need, unidentified students turning 3 years of age and students who are homeless.

State Funding (Circuit Breaker)

In FY04, the Massachusetts State legislature funded the Circuit Breaker (CB) Special Education Reimbursement Program to provide financial support to local governments for the cost of students in both in-district and out-of-district placements. Under the program, school districts receive partial reimbursement for the costs of these programs. The FY17 budget assumes a reimbursement rate of 72% of the cost to educate any student above a threshold, which equals four times the state-wide average per pupil cost. Since its inception, the CB funding percentage authorizes the legislature to appropriate up to 75% of the cost of the Special Education students that exceed four times the State average per pupil cost. The FY17 CB threshold is projected to be \$45,162. CB funding is subject to the following limitations: 1) It is calculated on a child-by-child basis, not on an aggregate basis and 2) Transportation costs cannot be included in the calculation. Therefore, CB funding is triggered only if an individual child's costs exceed the threshold. In addition, the School Department may apply for "extraordinary relief" under the CB funding program if the current year "CB eligible" costs exceed the prior year's eligible costs by at least 25%. This funding typically is received in the fiscal year in which the expenses are incurred. The last time Wellesley was eligible for "extraordinary relief" funds was in FY06 when the Town received \$272,051. The School Department applied for extraordinary relief in FY16 but the application was denied by the State. For FY17, the School does not anticipate qualifying and so no application is planned.

Federal Funding

In FY13, WPS altered its approach to the federal grant funding of staff positions. In prior years, partial FTEs of professional staff would be budgeted and the salary dollars for those positions would be subject to a 9% administrative fee to the Massachusetts Teachers' Retirement System. In simplifying the allocation of staff to grants and allocating support staff positions instead of professional positions, the administration has been able to maximize grant dollars and apply them directly for services to students. This continues to be the approach to utilizing grant funds for FY17.

Special Education Programs

WPS has developed a full continuum of specialize programs across all levels to support students within district where possible. In order to develop these programs, a significant cohort of students must exist to be able to realize cost efficiencies while meeting the federal mandate to educating students in the Least Restrictive Environment. The need for a new school-based therapeutic program was identified at Wellesley High School and funding for 1.4 FTE is factored into the FY17 budget. This new program, to be known as Cornerstones, will support students who are experiencing significant social/emotional disabilities and have yet to psychologically stabilize in order to re-enter the mainstream instruction. Being in a self-contained, school-based program will keep students connected to familiar environments while they receive therapeutic support. The creation of this new program came about because the existing therapeutic program, Gateways, became over-enrolled with more clinically challenging students who require emotional as well as academic support. Gateways is currently at full capacity (32 students) and the students identified for Cornerstones support require a different program of service than is offered through Gateways. Cornerstones will provide an initial 5 students with intensive counseling services, English and Math instruction, evaluations (which make it possible to avoid sending the students outside the school) and will offer students the ability to return from OOD placements and rejoin their peers at the High School. Further, it will allow Gateways to accept new students who better fit its educational and mental health model.

List of In House Programs:

Preschool at Wellesley Schools (PAWS)

- Students with significant developmental delays (7 classrooms with 10 sessions)
- Elementary Schools
- 16 Learning Center classrooms
 - Schofield (1 classrooms) – Language Based Program for traits and characteristics of dyslexia
 - Hunnewell (2 classrooms) – Therapeutic Learning center for emotion/social needs
 - Upham (3 classrooms) – Skills for Autism Spectrum
 - Sprague (2 classrooms) – Integrated Specialized Services for disabilities that cross domains

Wellesley Middle School

- Ten Learning Center classrooms
- Language based Programs for traits and characteristics of dyslexia (4 classrooms)
- Therapeutic Learning Center for emotional/social needs (1 classroom)
- Skills for Autism Spectrum (1 classroom)
- Integrated Specialized Services for disabilities that cross domains (1 classroom)

Wellesley High School

- 9 Learning Center classrooms

- Language-based Program for traits and characteristics of dyslexia (1 classroom)
- Integrated Specialized Services for disabilities that cross domains (1 classroom)
- Cornerstones program to assist students with social/emotional needs who require a self-contained program and intensive assessment.
 - Gateways Program to assist students with emotional needs (1 classroom)
 - Launch Program for students aged 18-22 who will not receive a high school diploma to prepare those students for adult life

APPENDIX G: GLOSSARY OF MUNICIPAL FINANCE TERMS

ABATEMENT. A complete or partial cancellation of a tax or assessment levied (imposed) by the Town. Abatements usually apply to tax levies and special assessments.

APPROPRIATION. An authorization granted by Town Meeting to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to time when it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by the Town as a basis for levying taxes. Equally assessed valuation refers to the Town's assessed valuation as determined by the Assessors, adjusted by the State Department of Revenue on a biennial basis to reflect full market value ("equalized valuation").

BUDGET. A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. A budget may be "preliminary" – the financial plan presented to Town Meeting, or "final" – the plan approved by Town Meeting.

CAPITAL PROJECT. A major nonrecurring physical acquisition expenditure often including planning, acquisition, and construction phases.

CHERRY SHEET. An annual statement received by the Assessors from the State Department of Revenue detailing estimated receipts for the next fiscal year from various State Aid accounts and the Local Aid Fund (Lottery) and estimated charges payable by the Assessors in setting the tax rate. Supplemental Cherry Sheets may be issued during the year and there is no guarantee that the estimated receipts and charges shown thereon will not vary from actual receipts and charges.

COLLECTIVE BARGAINING. Negotiations between an employer and union representative regarding wages, hours, and working conditions.

DEBT AUTHORIZATION. The formal approval required under the procedures set forth in Chapter 44 of the Massachusetts General Laws before the Town may lawfully incur debt.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, and serial maturities of principal for serial bonds.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those established for the Town's water, sewer, and electric utilities.

EQUALIZED VALUATION. The value of all property as determined by the State Tax Commission biennially, using a standard of "full and fair value." This is also referred to as "100% valuation." The equalization figures are reported in December and affect State Aid distributions for the two-year period beginning the following July.

EXCESS LEVY CAPACITY. The difference between the Town's maximum tax levy limit as established by Proposition 2 ½ and its actual tax levy in the most recent year for which the Town has set a tax rate. This is the additional tax levy that the Town could raise without going to the voters for an override or debt exclusion.

EXCLUSIONS. A provision in the Proposition 2 ½ Law (Chapter 580 of the Acts of 1980) that provides, through referendum, to add funds to the total tax levy on a temporary basis. Exclusions and Debt Exclusions are specifically for capital or special onetime items. Exclusion type questions, if approved by voters, are used to fund onetime items, usually large capital projects. These funds do not become part of the permanent tax levy base. An exclusion for debt service on a loan to pay for a major capital project expires when the loan is paid. The amount added to the tax levy for a particular year is the debt service needed for that year only. Exclusions are only effective until the funding for the project to which they apply is complete.

FISCAL YEAR. A 12 month period to which the annual operating budget applies and at the end of which the Town determines its financial position and the results of its operations. The Commonwealth and the Town operate on a fiscal year that begins on July 1 and ends on June 30. The number of the fiscal year is that of the calendar year in which the fiscal year ends; e.g., the fiscal year 2014 begins July 1, 2013, and ends June 30, 2014, usually written as FY 14.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FREE CASH. Sum of funds appropriated and raised by the Town, but not expended in the years for which they were appropriated, minus uncollected taxes of prior years. This amount must be certified by Massachusetts Bureau of Accounts before it can be used.

FULL-TIME EQUIVALENT. A term that expresses the amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For most positions in Town, one FTE has been set to equal the number of hours a typical full-time employee works during a calendar year after deducting holiday, vacation, sick and personal time from a 52.2 week year consisting of 2,088 total hours. A position that has been budgeted to work full-time for only six months is 0.5 FTE.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND TYPE. In governmental accounting, all funds are classified into seven generic fund types: General, Special Revenue, Capital Projects and Debt Service (Governmental Funds), Enterprise and Internal Service (Proprietary Funds), and Trust and Agency (Fiduciary Funds).

GAAP. Generally Accepted Accounting Principles. There are twelve basic principles of accounting and reporting applicable to state and local governments. These include the use of the modified accrual basis of accounting, as appropriate, for measuring financial position and operating results. These principles must be observed in order to provide a basis of comparison of data among different cities and Towns.

GENERAL FUND. The fund used to account for all financial resources of the Town except those required to be accounted for in another fund.

GENERAL REVENUE. The revenues of the Town other than those derived from and retained in an enterprise. If a portion of the net income in an Enterprise Fund is contributed to another non-enterprise fund, such as the General Fund, the amounts constitute general revenue of the Town.

GROWTH REVENUE. The amount of property tax revenue that the Town can add to its allowable tax levy (above the 2 ½%) from new construction, alterations, subdivision, change of use or anything being taxed for the first time. It is computed by applying the prior year's tax rate to the increase in valuation.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the government fund type, wherein only current assets and current liabilities are generally reported on fund balance sheets, and fund operating statements present "financial flow" information (revenues and expenditures). Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for a few specific exceptions. All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting.

OFFSET RECEIPTS. Includes certain education programs, aid to public libraries and environmental programs which are designated on the Cherry Sheet as offset items. These amounts can be spent without appropriation but must be spent only for these specific municipal programs.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of the Town are controlled.

OVERLAY. The amount raised by the Assessors in excess of appropriations and other charges for the purpose of creating a fund to cover abatements on real and personal property taxes and to avoid fractions in the tax rates.

OVERRIDE. A provision in the Proposition 2 ½ Law (Chapter 580 of the Acts of 1980) that provides, through the referendum process, to add funds to the total tax levy on a permanent basis. If approved by a Town-wide vote, the override amounts become a part of the tax levy base and therefore the amount approved in a given vote does grow with the rest of the base by 2 ½% per year. An override question can only provide for additional funding for either the operating budget or the ongoing capital budget.

PRIMARY LEVY LIMIT. 2 ½% of certified full and fair cash value of taxable property.

PROPOSITION 2 ½. A statewide tax limitation initiative petition limiting the property tax levy in cities and Towns in the Commonwealth to 2 ½% of the full and fair cash valuation of the taxable real estate and personal property in that city or Town. The statute also places an annual growth cap of 2 ½% on the increase in the property tax levy.

REIMBURSEMENTS. (1) Repayments of amounts remitted on behalf of another party. (2) Inter-fund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund – e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. They are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

RESERVE FUND. A fund established by the Annual Town Meeting which is under the control of the Town's Advisory Committee and from which transfer may be made for extraordinary and unforeseen expenditures. It may be composed of an appropriation of not more than 5% of the prior year's tax levy.

REVOLVING FUNDS. Those funds which may be used without appropriation and which are established for particular uses such as school athletics, continuing education programs, school lunch programs, self-supporting recreation and park services, conservation, etc.

SECONDARY LEVY LIMIT. Prior year levy limit plus 2 ½% (Base) plus "growth revenue."

SPECIAL APPROPRIATION. An authorization to expend funds for a specific project not encompassed by normal operating categories.

STABILIZATION FUND. A special reserve account created to provide for capital improvements which is invested until used. The Town may appropriate into this fund in any year an amount no more than 10% of the prior year's tax levy. The outstanding balance in the account cannot exceed 10% of the Town's equalized valuation. Generally, it requires a 2/3 vote of Town Meeting to appropriate money from the Stabilization Fund.

STATE DISTRIBUTION. All revenue flowing from the Commonwealth. Major categories include reimbursement for loss of taxes, educational distributions and reimbursements, funds for direct education expenditures, general government reimbursements and distributions.

SURPLUS REVENUE. This is the amount by which cash, accounts receivable and other floating assets exceed the liabilities and reserves.

SUPPLEMENTARY APPROPRIATION. An appropriation submitted after the main budget has been approved, which must specify a revenue source.

TAX LEVY. The net amount to be raised by the Town each fiscal year by assessing ad valorem taxes on real estate and personal property located within the Town.

TAX RATES. The amount of tax stated in terms of a unit of the tax base; for example, \$8.91 per \$1,000 of assessed valuation of taxable property.

UNFUNDED PENSION LIABILITY. Unfunded pension liability is the difference between the value assigned to the retirement benefits already earned by the Town's employees and the assets the Town's retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is driven by assumptions about interest rates at which a retirement system's assets will grow and the rate of future costs of living increases to pensioners.

UNENCUMBERED APPROPRIATION. The portion of an appropriation not yet expended or encumbered.

UNIFORM MUNICIPAL ACCOUNTING SYSTEM. A comprehensive and practical municipal accounting system that conforms to GAAP for local governments. UMAS is regarded by the Department of Revenue as the professional standard for modern municipal accounting in Massachusetts. Among the benefits of conversion to UMAS are increased consistency in reporting and record keeping and enhanced comparability of data among cities and Towns.

APPENDIX H: GUIDELINES FOR CONDUCT OF WELLESLEY REPRESENTATIVE TOWN MEETING

I. INTRODUCTION

The purpose of Wellesley Town Meeting (the “Meeting”) is to reach decisions with respect to the matters brought before the Meeting by a democratic process. The process should not be partisan or adversarial. Rather it should demonstrate an effort by the elected representatives of the Town in open discussion, free from technicalities of parliamentary procedure, to establish constructive policies for the government of the Town. The Meeting depends for its effectiveness on familiarity of the Town Meeting Members with the matters before the Meeting and upon their ability to rely one upon the other and upon their elected or appointed boards and committees.

All who speak to the Meeting or prepare reports to it should seek to be worthy of this trust. Proponents of action should make full and fair disclosure of all facts and considerations bearing on a problem, not merely those favoring their proposal. On the other hand, those opposed to a proposal should make their opposition known to the sponsors as soon as possible, rather than seeking to succeed by surprise at the Meeting. Negotiations prior to Town Meeting are more likely than debate at Town Meeting to clarify the issues and to produce solutions that will receive the support of the Meeting as a whole.

The great diversity among the residents of the Town often will lead to differences with respect to the matter before the Meeting. The good faith of no one should be questioned; rather, there should be a cooperative effort to find solutions that are reasonably responsive to the needs of all.

The Meeting shall abide by the laws of the Commonwealth including the prohibitions of smoking and carrying firearms on school property.

The following guidelines are intended to inform and guide those who participate in the Meeting and, thus, to assist in its orderly conduct. These guidelines, except to the extent that they embody statutes and Town Bylaws, are not intended as rules having legal effect.

II. PARTICIPANTS IN THE MEETING

A. *Public Meeting* - The Town Meeting is a public meeting and may be attended by all. Since only the Members may make motions and vote thereon, they are seated separately from non-members.

B. *Quorum* - A majority of the Town Meeting Members shall constitute a quorum for doing business; but a lesser number may adjourn the Meeting to another time.

C. *Moderator* - The Moderator shall preside at the Meeting and shall regulate the proceedings and decide all questions of order.

No one shall distribute any material at Town Meeting except with permission of the Moderator.

The Moderator may appoint persons to assist in the conduct of the Meeting, including determination of the vote of the Meeting.

If the Moderator is absent or cannot act, a Moderator Pro Tempore may be elected by the Meeting, the Town Clerk to preside at such election.

The Moderator shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be a Moderator Pro Tempore, but shall not vote while presiding at the Meeting.

- D. Clerk** - The Town Clerk shall determine the presence of a quorum and shall maintain the records of the Meeting, including the results of all votes and other action taken at the Meeting. If there is no Town Clerk, or if the Town Clerk is absent from the Meeting, the Meeting shall elect another person (usually the Assistant Town Clerk) to act as temporary Clerk of the Meeting.

The Town Clerk shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be Temporary Clerk, but shall not vote while acting as Clerk of the Meeting.

- E. Town Counsel** - Town Counsel shall be present at all Meetings and, upon request, shall advise the Moderator and any Member or other person present with respect to any pertinent question of law on which his or her opinion is requested. Such opinion is advisory only and not binding upon the Town, any person or the Meeting. If Town Counsel is unable to attend, the Selectmen shall designate another attorney as Acting Town Counsel to perform those duties at the Meeting.

Town Counsel shall not be an elected Town Meeting Member and shall not vote with respect to any matter before the Meeting. A Town Meeting Member may be Acting Counsel, but shall not vote while so acting.

- F. Tellers** - The Moderator shall appoint Town Meeting Members as Tellers for the purpose of counting the votes of the Meeting. Such appointments may, in the Moderator's discretion, be effective for more than one session of any Meeting. The Tellers shall report the results of their count of the section of the Meeting assigned to them, indicating the number in favor of the motion, the number opposed, and, if so instructed by the Moderator, the number abstaining and such shall be announced to the Meeting and maintained with the records of the Meeting. Tellers may vote on any question on which they act as Tellers, but any Teller who decides to participate in the debate of a question should request the Moderator to appoint another Teller to count the vote on that question.

III. MOTIONS

- A. Need for Motion** - Action by the Meeting is taken solely by a vote of the Meeting on a motion duly made at the Meeting.

- B. Subject of Motions** - Except for such matters as resolutions recognizing individual achievements and the like, no motion shall be entertained by Town Meeting unless the subject thereof is contained within the Warrant. The Moderator shall determine whether a motion is "within the scope of the warrant," that is, whether the warrant gave adequate notice that the action proposed by the motion might be taken at the Meeting. Motions may propose action at variance with that desired by the sponsor of the article. Such motions may, for example, propose the establishment of a guideline, referral to an existing board or committee or one to be established; but all such motions are proper only if "within the scope of the warrant" as determined by the Moderator.

C. Order of Consideration - All articles shall be considered in the order in which they appear in the warrant, unless the Moderator in his/her discretion or the Meeting by majority vote changes the order. Where there are a number of motions relating to a project calling for the expenditure of funds, the motion calling for the expenditure of the largest sum shall be the first put to vote, unless the Moderator in his/her discretion decides to change the order.

D. Formal Requirements - Motions can be made only by a Member of the Meeting. All motions other than procedural motions must be in writing signed by the sponsoring Member. No seconds are needed for any motion.

Sponsors of motions are required to submit their motions to the Selectmen by a date specified by the Selectmen. The motions must also be submitted to the Moderator and the Chair of the Advisory Committee. The exact form of any motion or amendment must either be distributed to Town Meeting Members or projected on a screen at Town Meeting before a vote thereon can be taken.

After the initial call to order of any Annual or Special Town Meeting, if a proponent informs the Moderator of an intention to present an amendment or substitute motion or resolution, notice of the action and the text must be made available to Town Meeting Members before action is taken on the article to which it relates.

E. Notice to Moderator - Every person who prior to the Meeting has decided to make a motion with respect to an article should inform the Moderator and the Chair of the Advisory Committee prior to the Meeting or, if the decision to make a motion is reached only during the Meeting, as early as convenient thereafter.

F. Reconsideration - Motions to reconsider any action shall be entertained only if in the view of the Moderator there is reason to suppose that Members may have changed their minds. The Moderator may rule that any motion is a motion for reconsideration if it is not substantially different from a motion previously voted upon.

No action taken at any session of a Town Meeting shall be reconsidered at any subsequent session, unless notice of intention to move for reconsideration shall have been given at the session at which such action was taken. If action taken at the final session is to be reconsidered, debate and a vote on a motion for reconsideration may occur at the same session only after all articles have been acted upon unless, in the Moderators discretion, debate and a vote on the motion at an earlier point in the session would expedite the conduct of the session. Any vote that requires more than a simple majority for passage shall require a 3/5ths vote in order to be reconsidered by Town Meeting.

IV. DEBATE

A. Persons Authorized - All residents of Wellesley, whether or not Town Meeting Members or registered voters, may address the Meeting. Non-residents may address the Meeting with the approval of the Moderator or a majority of the Meeting.

B. Permission of the Moderator - Persons wishing to address the Meeting shall raise their hands or stand and wait until they are recognized by the Moderator and no one shall address the Meeting without first requesting and receiving the permission of the Moderator.

- C. Identification of Speaker** - Each person addressing the Meeting shall begin by stating his or her name and precinct if a resident of Wellesley or place of residence if a non-resident.
- D. Conduct** - All remarks should be limited to the subject then under discussion. It is improper to indulge in references to personalities and all expressions of approval or disapproval, such as applause or booing, are out of order.
The Moderator may request any person to keep silent. If, after a warning from the Moderator, a person refuses to be silent or persists in other disorderly behavior, the Moderator may order such person to withdraw and, if he or she fails to withdraw, may order a police officer to remove such person from the Meeting.
- E. Personal or Financial Interest** - Individuals who have a personal or financial interest with respect to a matter may speak or vote thereon but should frankly disclose their interest before speaking. However, no Town Meeting Member should accept compensation for speaking to or voting at the Meeting.
- F. Time** - There is no time limit to the debate of any question. Accordingly, motions to limit time for debate or to call the question are not in order. However, each individual who speaks to the Meeting should make an effort to be as brief as possible, out of consideration for the others attending the Meeting and the need to give adequate time to all matters coming before it. The Moderator may request that all persons who intend to speak for more than five minutes give him/her notice before the start of the session.
- G. Repeated Speaking** - In order to give all a fair opportunity to speak, no one who has addressed the Meeting on any particular motion shall speak again, except to answer questions, until all others wishing to speak to the motion have done so.
- H. Maps** - The Planning Board has slides of Town maps available for use at all Meetings and may be requested on reasonable notice to make available a slide of any map appropriate to the subject under discussion.

V. VOTING METHOD

Except as specifically otherwise provided by law or these rules, voting shall be by voice votes or show of hands as the Moderator may determine and the Moderator shall declare the results of such vote. If a vote so declared is immediately questioned by seven or more Members, the result shall be determined by counting the votes of the Meeting by means of a standing vote.

VI. DEFINITIONS

- A. Roll Call** - Upon motion supported by not less than sixty members and made prior to the taking of a standing vote, the vote shall be by a roll call of all Members, the Clerk to indicate on the record with respect to each Member, "Aye," "Nay," "Abstain," or "Not Present" as the case may be.
- B. Secret Votes** - There shall be no secret ballots or other secret votes at Town Meeting.
- C. Majorities** - Except as otherwise provided by law or the Town's Bylaw, all actions of the Meeting shall be taken upon vote of a simple majority of those present and voting.
- D. Ballot Vote**

- (a) Upon a motion supported by not less than 20 Members made prior to a vote on any question (whether required by law to be a counted vote or not), the vote shall be taken by ballot in such form as will in the opinion of the Moderator indicate how individual Town Meeting Members have voted on a question. The results of such vote shall be announced in terms of the numbers of aye, nay, or abstain votes cast. The Town Clerk shall, within a reasonable time after the session has been adjourned, compile a list of Members voting on the question, which list shall disclose how each Member voted. Said list, together with the original ballots, shall be open to public inspection so that the public shall be able to determine the way in which each Town Meeting Member voted on the question and shall be preserved for at least 3 years.

- (b) If a law or a bylaw requires a two-thirds vote for action by the Meeting, the Moderator is authorized to declare the vote without taking a count, subject to the roll call and ballot vote provisions noted above. If more than a two-thirds vote is required, the Moderator may first determine whether the vote is unanimous and, if it is not, the vote shall be counted either by means of a standing vote, by roll call or by ballot as provided in the Town's Bylaw.

VII. ADJOURNMENT AND DISSOLUTION

- A. Adjournment** - Sessions of the Town Meeting shall normally adjourn about 11 o'clock in the evening but may adjourn at such earlier or later time as the Town Meeting upon vote of a majority of its Members may determine.

- B. Dissolution** - The Meeting shall not dissolve until all articles in the warrant with respect to which any Member wishes to make a motion have been considered.

VIII. RECORD OF MEETING

The Town Clerk in consultation with the Moderator shall prepare and maintain a complete record of the Meeting at the office of the Town Clerk where, upon request, it may be inspected by any interested person and also shall deposit a copy of such record at the Main Library. Such record may, but need not be, verbatim. However, it shall as a minimum contain the text of all articles and motions, whether main motions or subsidiary motions, the name of the moving party, the action of the Meeting with respect thereto and such summary of statements made at the Meeting as will in the opinion of the Town Clerk contribute to a better understanding of the action of the Meeting.

IX. REFERENCE TO TOWN MEETING RULES

Wellesley Representative Town Meeting was established by Chapter 202 of the Acts of 1932 which has been amended several times since then. Certain customs have developed in the conduct of the Town Meeting. Wellesley custom does not differ substantially from the custom of other representative town meetings, as generally described in *Town Meeting Time* (Little, Brown, and Company 1962), a book that also contains references to applicable court decisions and statutes. All custom may be changed by law, or the Bylaws of Wellesley, as from time to time amended.

It is the combination of the foregoing which produces the "rules" of Wellesley Town Meeting in conformity with which the Moderator regulates the conduct of the meeting.